

Belarusian records versus German quality

Most entrepreneurial air carriers, offering better services, win competitive struggle for passengers

By Dmitry Umpirovich

Last year, the total number of passengers transported by Belavia National Airline reached one million, with Natalia Litvinova, Marketing Director of Heineken Belarus, being nominated as the millionth traveller.

"I'm a professional, so I almost live on the plane; I fly two or three times a month," notes Natalia. Checking in for the Minsk-Berlin flight, she was surprised to be told of her status as the millionth passenger — which confers a range of privileges: a bouquet of flowers and souvenir goods, alongside a lifetime 'gold' card offering significant bonuses from the national air carrier. Natalia can now use the business class Belavia lounge, has an additional luggage allowance and will receive enhanced service on board.

Curiously, the German Ambassador, H.E. Mr. Christof Weil, was at the neighbouring check-in counter; he was the 1,000,001st Belavia client.

Vadim Melnik, Director of the Transport

and Communications Ministry's Aviation Department, is confident that, in 2012, the company will reach its millionth passenger

flights to other popular routes being expanded — to Paris, Amsterdam, London and Astana.

According to Belavia's Direc-



Lufthansa raises number of weekly flights to Germany from seven to ten

in September, as Belavia plans to considerably increase its volume of passenger transportation. In particular, in spring or early summer, a new flight to Novosibirsk is to open. Meanwhile, the number of

tor General, Anatoly Gusarov, the Belarusian air company claims just over half of all domestic passengers. Moreover, other leading world airlines use the airport for transfers. Russian Aeroflot brings passengers to Minsk three times a day while Austrian Airlines has two flights daily. Moreover, Arab Etihad, Turkish

Airlines and Lufthansa also use the route.

The largest German air carrier now views the CIS market as the most dynamically developing. "This year, we've served 60,000 passengers travelling out of Belarus, while increasing our number of weekly flights to Germany from seven to ten," explains Joachim Brumbach, Lufthansa's General Manager in Belarus. "All flights use one of the

ington and Beijing were among the long-haul flights most in demand (only New York is a direct route with the other two requiring a change). Lufthansa's main hub airports are in Frankfurt, Munich and Dusseldorf.

"I'm often asked about direct routes by passengers," smiles Mr. Brumbach. "Negotiations continue regarding a direct flight from Munich to Minsk, but demand isn't yet sufficient to completely fill the plane. According to an agreement between Germany and Belarus, our flights are restricted to ten a week, so these are all routed via Frankfurt to allow passengers the maximum opportunity to reach other destinations. If we allocated at least three of these flights for a direct route to Munich, connecting opportunities would fall considerably."

At present, the average occupancy of Lufthansa planes in the Belarusian-German direction is 75 percent; figures have risen as prices have fallen. The airline appreciates that passengers may prefer to travel via Moscow, Kiev, Vienna and Warsaw, rather than Frankfurt, so competition is great, with air carriers enhancing their quality, reducing prices and offering new services — to the benefit of passengers.

The struggle for clients is rather like a tug of war, with strategies chosen carefully. Belavia recently introduced a loyalty card which can be used to collect 'points' at various outlets, qualifying the bearer eventually to a free flight. Bonuses automatically accrue.



Natalia Litvinova becomes Belavia's millionth passenger

most contemporary planes — the Embraer-95. Moreover, we are refurbishing our plane interiors for European routes, with slim backed chairs significantly raising comfort levels."

Last year, the most popular European routes from Minsk served by Lufthansa were Frankfurt, Munich and Geneva; New York, Wash-



Belavia National Airline continues to renew its fleet of Boeing-737s

Rouble deposits proving attractive once more

Following rise in refinancing rate, banks start offering profitable rates to savers — exceeding 50 percent per annum

By Roman Anikeev

In early 2011, annual interest rates on deposits reached 15-16 percent on average, meaning that Br1m generated around Br15,000 a month. The situation has changed recently, with some banks tempting depositors with 60 percent rates; accordingly, over a period of thirty days, a million Bela-

rusian Roubles can generate around Br50,000.

While more Rouble deposits have been registered recently, the profitability of foreign currency savings has fallen. Just two months ago, a Dollar or Euro deposit guaranteed up to 10 percent per annum; now, the average rate is just 8 percent. No doubt, this situation enhances the attractiveness of Belarusian

Rouble deposits.

From early 2011 to November, the volume of bank savings in the national currency rose by almost 25 percent. The Deputy Chairman of the National Bank's Board, Sergey Dubkov, confirms, "The National Bank is stimulating the public to save by offering more attractive interest rates. Of course, Belarusian Rouble deposits

have higher rates than foreign currency savings. As a result, people have trust in the banking system."

Growing deposit rates enable people to compensate for losses caused by the Rouble devaluation and rising prices. The Chairman of Belvnesheconombank's Board, Pavel Kallaur, notes that, in the first months of 2012, interest rates for deposits may

rise above the rate of inflation. In future, the refinancing rate and interest rates may fall, if consumer price growth subsides, emphasises the Chair of the National Bank's Board, Nadezhda Yermakova.

"Whether today's interest rates are high is a subjective opinion," ponders Mr. Dubkov. "They are perceived as low by savers, while borrow-

ers view them as high — as is natural. Professionalism in the banking sphere requires us to satisfy all clients, while creating stable conditions for the bank's functioning."

If interest rates do fall in the future, those wishing to make money from saving should choose fixed rates. Meanwhile, those planning to take out a loan should wait until rates fall significantly.