

Privatisation isn't a goal in itself but an efficient measure

The Presidential Residence has hosted a conversation about privatisation. It may seem that the topic has already been thoroughly studied and the sphere well-regulated, so that there can be nothing more to say. However, the Government has prepared several amendments to privatisation procedure — requiring the President's approval.

By Dmitry Krylov

Briefly, it has been decided to revise the current three year plan while setting out criteria and conditions needing to be met by those economic entities buying out a company. Mr. Lukashenko is not keen on the idea of dividing enterprises into different lists, since any enterprise is available for privatisation, as is no secret. Our legislation allows us to conduct this procedure and has deliberately been made complex to avoid the chaotic sale of state property. This key principle remains unchanged, as Mr. Lukashenko stressed, saying, "We've always said that we aren't against privatisation. We have never experienced avalanching privatisation in the country and won't do so now. While I'm President, this issue won't even be discussed."

According to Mr. Lukashenko, pin-point privatisation is possible and each such issue should be viewed separately, with price and additional terms met. A good example of a strategically important economic entity being privatised is that of Beltransgas, for which \$5bn was received. A significant discount has been given to Belarus on its fuel prices and an 'iron guarantee' of supply and transit. Moreover, the pipes remain on our territory, with taxes



Belaruskali is aware of its worth and is awaiting for a wealthy investor

paid into our budget on the enterprise's activity, without our needing to spend money to maintaining this powerful infrastructure. Truly, the deal is beneficial to both sides.

Belarus is ready to negotiate on state property sales where such principles are met — even on the most profitable companies. Mr. Lukashenko uses Belaruskali as an example. Market assessment gives it a value of \$30b while potential investors have only been able to offer \$15bn, resulting in no deal being made.

The issue of 'lists' has been discussed, seeking to establish their relevance. Does it matter whether enterprises are strategic or non-strategic and should enterprises be 'pre-destined' for privatisation? Inclusion on the list should not imply obligatory sale. Rather, it should show potential for sale. However, this is perceived differently from purely psychological point of view. Employees can become very concerned, even when no potential

investor has appeared on the horizon. It seems ridiculous to inspire such worry unnecessarily. Accordingly, the President has asked, very reasonably, "What purpose does it serve to divide enterprises into essential and non-essential? Surely, all enterprises providing employment are essential, so the terms strategic and non-strategic are meaningless."

Discussion at the session was decisive, including recognition that companies need to be protected from being made 'falsely bankrupt' (a favourite instrument of white collar raiders). The President is certain that we need to protect companies while creating mechanisms to block such behaviour.

Alexander Yakobson, the Chairman of the State Control Committee of Belarus, notes that service industries as well as industrial can be strategically important, mentioning the sphere of insurance. The Aide to the President, Sergei Tkachev, added the banking, trade, wood-processing and food branch-

es to those he believes vital to the country. Mr. Lukashenko responded, "This is what I'm talking about. So, we should register all those enterprises countrywide, due to their importance."

Although major governmental proposals failed to find unanimous approval, talks were useful in revealing a range of drawbacks regarding the regulation of privatisation. The Presiding Judge of the Supreme Economic Court, Viktor Kamenkov, pointed out that a clearer re-privatisation mechanism is needed for cases where investors fail to meet their agreed obligations. He is eager to see privatisation goals clearly defined in corresponding documents, so that buyers of companies appreciate that, where goals are not met, property will be confiscated by the state.

The Chairman of the Grodno Regional Executive Committee, Semen Shapiro, pointed out anomalies where auctions are used, as prices

can be much lower than market price and even the net asset value.

After listening to various proposals, Mr. Lukashenko gave instructions to set out a single comprehensive document regulating the entire privatisation sphere in Belarus. He wishes this to be unambiguous, so that potential investors can understand the rules of the game, with all 'loopholes' eradicated; investors should realise that no 'back avenues' are possible. The Government has been tasked with preparing a draft project in the second quarter of this year.

Another important outcome of the session is that Belarus needs to actively attract our own Belarusian business towards privatisation. Maybe it isn't so strong to manage the enterprises, which are the 'targets' of transnational corporations, but is quite able to work with smaller enterprises. Some businessmen may still be deterred from placing their money in Belarus, so Mr. Lukashenko is keen to see more favourable conditions created.

Sardinia becomes closer

Following delegation visit to Belarus, co-operative agreement between Minsk Region and Italy's Autonomous Region of Sardinia signed to promote wider liaisons

Last year alone, total trade turnover between the Minsk Region and Italian Sardinia exceeded \$159m — up 122.5 percent on 2010. Today, Italy is among the leaders for the number of established joint and foreign enterprises in Belarus. Moreover, the Italians work hard to help Belarusian children in need of recuperation. In early April, 12 students from Sardinia are to arrive in Belarus as part of an exchange, showing active collaboration in education.

Doubling efforts

By Rita Overyanova

Belarus invites Indonesia to implement joint innovation projects

Opportunities for sci-tech partnership for our two countries have been discussed during a visit to Jakarta by a delegation from the State Science and Technology Committee and the National Academy of Sciences. Prospects for Belarusian-Indonesian cooperation were discussed during meetings at the Ministry for Research and Technologies of Indonesia, at the Indonesian Institute of Sciences and at the Bandung Institute of Technology.

Belarus reported on its sci-tech and innovation potential while suggesting that specialists

take part in inter-country exchange programmes. Joint sci-tech projects and joint scientific centres were also debated.

Representatives of Indonesian scientific institutions are keen to develop partnerships with Belarusian colleagues in the spheres of information, bio- and nanotechnologies, microbiology, agriculture, the processing of space information, and geothermal and solar power engineering. They are also eager to share information on advanced technologies and create joint high-tech manufactures.

Indonesian specialists may join the Belarusian High-Tech Park and it is hoped that Indonesian students will soon be studying at Belarusian universities.

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