

# Steel Works melds record volume of steel

BMZ produced 234,000 tonnes of steel in March, breaking last October's record of 230,000

By Sergey Velichansky

Co-ordinated efforts at the steel enterprise have enabled it to work at full capacity in its bar-rolling, tube-rolling and hardware workshops. It supplies the Rechitsa Hardware Plant with raw materials and also exports a large share: Syria, Tunisia, Italy and Egypt imported 37,000 tonnes, worth \$21m. Romania, Poland and Germany are also regular customers.

The enterprise initially produced around 700,000 tonnes annually, but last year's modernisation has almost quadrupled this figure. The company has plans to manufacture 3m tonnes of steel annually (as part of its programme of economic development for 2011-2015) by implementing various investment projects. In March, it launched construction of a new calcareous facility — to meet increasing demand for freshly burnt lime. This year, one of its steel-making furnaces is to be modernised, raising production volumes to 1m tonnes annually. Modernisation is to continue in coming years.



BMZ goods now exported to over 50 countries worldwide

The Belarusian Steel Works was set up in 1984, specialising in production of casting, profile iron, rolled

steel, metal cord, reinforcing bars and other forms of wire. As one of Belarus' top export-oriented compa-

nies, it sells over 85 percent of its produce abroad — to 71 countries. Importantly, it employs over 12,000 staff.

## Two forums even better than one

By Yelena Stasyukova

**Belarus' co-operation with Lithuania and Finland to intensify, as noted by Ambassador Extraordinary and Plenipotentiary of Belarus to Lithuania and Finland, H.E. Mr. Vladimir Drazhin, at 8th International Belarus-Lithuania Forum and at 3rd International Belarus-Finland Forum in Grodno**

As the diplomat stressed, at present, Lithuania and Finland are among the leading European partners for Belarus in trade, services and investments. In 2011, Belarus-Lithuania trade reached a record high of \$1.16bn. Moreover, in recent years, Belarus has been actively expanding co-operation with Finland: our bilateral trade last year stood at \$207m.

New investors are expected. In 2011, Lithuanian injections into the Belarusian economy more than doubled (against 2010), to reach almost \$115m. In addition, over \$40m of Finnish investments arrived. In Belarus, 500+ com-

panies with Lithuanian capital operate, with Lithuania being home to over 300 companies with Belarusian capital.

There are grounds to expect more intensive co-operation with Lithuania and Finland next year, as all the necessary preconditions exist. According to Mr. Drazhin, it's likely that we'll see raised volumes of Belarusian cargo shipped via Klaipeda port. Belarus and Lithuania have great co-operation prospects in transportation and logistics, while boosting ties in machine building, power engineering and agriculture. Moreover, we are interested in the realisation of joint ecology-related projects and those dealing with information technologies.

Addressing participants, the diplomat underlined that the Belarus-Lithuania Economic Forum should become a landmark event in the history of our bilateral co-operation. It has been held in rotation by Belarus and Lithuania since 2005. However, this is the first time that it has been held simultaneously with the Belarus-Finland Forum.

## Based on results of analysts' work

**One of China's largest rating agencies — Dagong Credit Rating Co., Ltd. — assigns first sovereign credit rating to Belarus**

Belarus has received a rating of 'BB+' in local currency obligations and a 'BB-' in foreign currency obligations; the outlook is stable.

The ratings were given following a visit by Dagong ana-

lysts to Belarus in February 2012. According to the Belarusian Finance Ministry, the Chinese experts came to assess the situation in the country after an agreement on the sovereign credit rating was signed in November 2011.

The Finance Ministry stresses that the Government hopes that this credit rating will open up the financial markets of South-East Asia to Belarus.

# Process launched extremely dynamically

## First bell rings on Belarusian Stock and Currency Exchange

By Sergey Artemiev

The ceremonial ringing of the bell indicated the beginning of public bidding on shares in Minsk's Plant of Sparkling Wines JSC, with Belarus' Deputy Prime Minister, Sergey Rumas, and the Director General of the enterprise, Leonid Kravchuk, given the honour. At present, 240,000 shares are for sale: 25 percent. Bidding is open to any resident of the country or resident-company.

Bidding opened at 10:30am, with an impressive 52 bids in the first 20 minutes — as seen on the interactive screen, which allowed journalists to observe procedures. One bid was from a resident investing almost Br145m in 845 shares; a second was from a company buying the IPO maximum number of shares: 999. Such sales show the genuine value of

the company.

Some bids were placed in advance, via the signing of preliminary agreements; these covered just over 7,500 shares, worth in excess of Br1bn. Meanwhile, 67 broker companies offered their services, with addresses and telephone numbers placed on the website of the Belarusian Stock and Currency Exchange. The lowest fees are offered by Belarusbank and Belagroprombank.

Mr. Kravchuk is extremely pleased with such an active launch and promises that values will rise. He notes that, last year, shares were worth about Br1,600 each and are now expected to triple. He asserts that share prices are rising.

Funds attracted via IPO will be used to implement a second stage of reconstruction and expansion of production. Mr. Rumas adds, "This



Sergey Rumas and Leonid Kravchuk open bidding

is our first pilot project. If we successfully sell our stock of shares, the Government will propose the same for several other enterprises. It's vital that we allow individuals to buy shares, as they currently lack choices in investing or saving money. When

you buy foreign currency, you're supporting the issuing countries. Buying shares in an enterprise is a way of supporting the national economy, taking part in its management."

Belgospishcheprom Concern has few enterprises to rival Minsk

Plant of Sparkling Wines, which shows a good profit and occupies a real niche market (up to 90 percent of local sales — almost a monopoly). As of April 1st, one share was valued at around Br200,000. According to Mr. Kravchuk, the enterprise's assets have aroused huge interest among foreign investor engaged in the manufacture of grape wines. However, foreigners are unable to buy shares directly from the Belarusian IPO. Rather, they must buy on the secondary market. Ivan Danchenko, the Chairman of Belgospishcheprom Concern, explains that, by the end of the year, distilleries in Grodno and Gomel should become joint stock companies. Those in Klimovichi and Vitebsk are set to join them next year, so we should soon see unprecedented action on the stock market.