



Slutsk Sugar Plant celebrates producing 5 millionth tonne of sugar

# Competition with specific components helps capitalisation

IPO and consolidation of domestic food enterprises allows competitiveness of products to be raised

By Andrey Romanovsky

Belgospishcheprom expects the forming of powerful food companies to accelerate the modernisation of production facilities and raise demand. "From specific food businesses, we can create holding companies," explains its Chairman, Ivan Danchenko. "Within the Customs Union, we'll be competing with powerful food companies from across the Russian Federation."

He notes that consolidation will use territorial principles, with several companies grouped around Gomel Fat Factory. Stolbtsy Fruit and Vegetable Processing Plant will operate in conjunction with Gorodeya Sugar Mill, while Malorita Cannery and Vegetable Dehydration Plant will liaise with Zhabinka Sugar Mill. Geography is extending, with Belsolod JSC already working with several starch plants and distilleries, alongside farms in the Ivanovo District. "Pol-

otsk Beer is to liaise with Belsolod," adds Mr. Danchenko.

In his view, such integration will allow funds to accumulate, for direction into investment projects — including those associated with the development of raw materials. In addition, capital is to be raised through IPO (initial public offering); a pilot project is being implemented at the Minsk Factory of Sparkling Wines.

Interest in buying shares in such enterprises as Slodych and

Lidapishchekontsentraty has been evident, with ordinary people able to purchase such securities (which can be sold for future profit or held for dividend returns). "At present, rates on savings exceed the return on shares," he admits. "However, sooner or later, deposit rates may fall to just 10 percent per annum."

We can assume that people's interest in shares will rise since benefits are indirect as well as direct: the range and quality of food products made by domestic enter-

prises should increase, since funds generated will be reinvested into modernisation.

Strategic investors are also to be attracted into the food industry; Moldovan wine producers are being encouraged to invest in Minsk Plant of Sparkling Wines, alongside companies specialising in containers, packaging and labels. Such interaction would enhance the competitiveness of Belarusian products, improving access to foreign retail outlets.

## Bringing plans closer

Valery Sidorchik

**Belorusneft Association to co-operate with largest oil companies of Ecuador**

Possible collaboration has been discussed at a recent visit to Gomel by delegations from the two largest players on the Ecuadorian oil market: Petroecuador and Petroamazonas. The former (a state enterprise) annually extracts over 14m tonnes of oil and controls the greatest share of the branch in the country. Extraction and export of hydrocarbons form the foundations of the nation's economy.

During the visit, foreign specialists toured Belarusian oil processing plants and oil fields, looking at the technologies of seismology, drilling and processing. They also visited the laboratories of the Oil Research and Design Centre — run by BelNIPIneft Institute.



Oil pumps raise oil from below

As of January 1st, 2012, oil reserves in Ecuador were estimated at 6.5bn barrels — 20th worldwide. Only Venezuela and Brazil boast more deposits in the region. In terms of extraction, the country is positioned 5th in South America (after Venezuela, Brazil, Argentina and

Columbia). In comparison, Belarus' oil deposits stand at around 200m barrels — 61st worldwide.

Specialists don't exclude that our experience of work with Venezuela can be used in collaboration between Belorusneft and Ecuadorian oil companies.

## Experts give their recommendations

**UN Economic Commission for Europe and UNDP ready to provide assistance in introducing and developing public private partnership mechanisms in Belarus**

According to Antonius Broek, UN Resident Coordinator/UNDP Resident Representative in Belarus, speaking at a seminar in Minsk, Belarus needs to attract investments into infrastructure to strengthen its competitive advantages: its favourable geographical location, good quality roads and expanded network of pipelines. "The Government primarily uses budgetary financing but the public private partnership mechanism is applied worldwide to introduce major infrastructure projects," he noted.

On a global scale, injections into this sphere stand

at trillions of US Dollars. To develop public private partnership, Belarus needs to study the successful experience of neighbouring states and to improve its legislation regulating partnerships between the state and private businesses. Suitable areas need to be determined, drawing on international experience of attracting investments into infrastructure.

Mr. Broek stressed that the recommendations by the UN Economic Commission for Europe are set to be carried out. "Through the productive partnership of the UNDP and the UN Economic Commission for Europe, including close cooperation with the EU, a universal project is planned to strengthen the potential of state structures, regional authorities and business communities. We'll promote the development and man-



Antonius Broek

agement of projects dealing with public private partnership in infrastructure and public structures," he explained.

The project is to cover various aspects regarding Belarus' promotion of public private partnerships, especially for the training of specialists and the creation of a favourable environment for such liaisons. "We sincerely recommend that the Government decisively launches the necessary legislation, following our recommendations," Mr. Broek concluded.