

Rouble preserves popularity

National currency remains most attractive means for savings

By Vitaly Mikhalev

Alexander Mukha, a financial analyst with BusinessForecast.by, notes that, over the next three to six months, while savings interest rates in Belarusian Roubles remain relatively high, the public is likely to choose the national currency to hold savings. It has been enjoying a relatively stable exchange rate while interest rates on foreign currency deposits have fallen. He explains that the official ban on money emission should ensure there is no sharp drop in the value of the national currency, creating an 'insurance' against devaluation.

He explains, "Taking into account that the gap between interest rates on national and foreign currency deposits will gradually close, it may be wise to diversify your investment portfolio, spreading two-thirds of assets among different currencies and one third across small bars of precious metals, stocks, bonds and other such instruments." He believes this will improve the



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including those in the creative sector: ICT, research and development, music and media.

Of course, people can only invest or save a certain percentage of their income. "If a citizen's savings are up to \$5,000, it's easier to distribute this across savings accounts; when funds exceed \$10,000-20,000, a more profitable distribution becomes relevant," admits Mr. Mukha.

The Chairman of the Board of MTBank JSC, Andrey Zhishkevich, tells us, "The difference in rates between Rouble and foreign currency deposits is still high enough to attract deposits in the national currency — especially in the short and medium term. There are no grounds to expect significant deval-

reliability and profitability of savings.

"Speaking of stocks and bonds, these are investments in businesses, so tend to be more profitable than bank deposits," he notes. In the medium term, a number of Belarusian firms will be issuing securities, offering higher rates of return than bank deposits. Meanwhile, he ranks buying shares in Minsk Sparkling Wines Factory as an example of a successful investment. Mr. Mukha believes that those buying shares should focus on export-oriented enterprises,

revenues have risen sharply: in the first half of 2012, they rose by \$1bn (23.8 percent) to reach \$5.2bn by July 1st.

Foreign currency deposits form a major share overall but, since late 2011, their share has fallen: on January 1st, 2012, they stood at 71.7 percent but had fallen to 66.9 percent by July 1st. "The policy of gradually reducing the refinancing rate and, consequently, interest rates on deposits, continued in June this year. We continue not only to defend Rouble deposits from rising prices but to ensure their higher profitability in comparison with deposits in foreign currencies," asserts the National Bank.

According to the latest National Bank report, in the first half of 2012, the population's deposits in national currency rose by Br7.6 trillion, reaching Br21.5 trillion by July 1st (up 40.4 percent in real terms). In addition, deposits in foreign cur-

Original solution all to the good

By Tatiana Averina

Mogilevliftmash elevators with side opening doors

The original solution allows the width of the lift shaft to be significantly reduced, while leaving the same cabin capacity. Tests have been completed, with the new design certi-

fied for production. "We've taken into account global trends in lift building. In particular, we're raising comfort while limiting the use of space in the building," the enterprise's press service explains. "The cabin doors have frequency regulators, to ensure that they open and close smoothly."

Mogilevliftmash lifts can be in-

stalled in the elevator shafts of foreign producers without substantial alterations necessary, making them convenient and competitive. It already produces several types of lift: passenger, cargo, car transportation, hospital, cottage, panoramic view and those suitable for the disabled, as well as energy-efficient.

Belstankoinstrument becomes seventh holding company

Minsk Machine-Tool Plant MZOR has become the management company of a new holding company, comprising 16 Ministry of Industry manufacturers of machines and tools, with a total workforce of about ten thousand people

Belstankoinstrument is the seventh such holding company in the Ministry of Industry, with 16 such structures planned overall. Holding companies already created are Horizont, Automotive Components, Amkodor, the Belarusian Optical & Mechanical Association, BelavtoMAZ, and the Belarusian Metallurgical Works. Holdings can enhance the competitiveness of their member enterprises by consolidating assets. This attracts foreign investments,

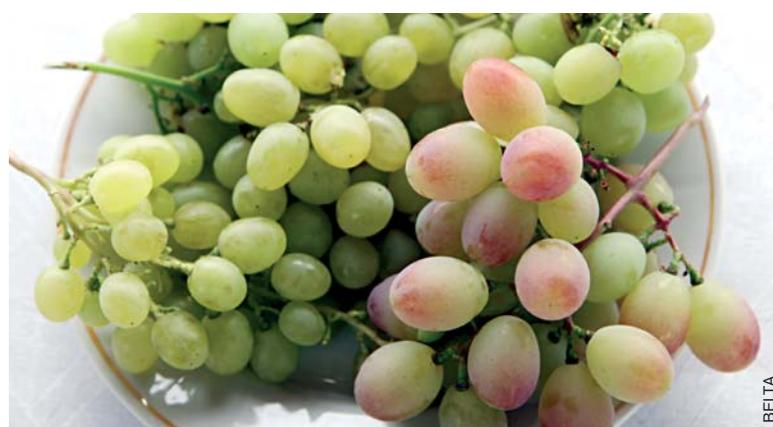


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Minsk Machine-Tool Plant becomes management company

including loans on more favourable terms. Relations between holding participants are eased, optimising management efficiency, while the use of a single brand abroad promotes recognition and reduces risk.

The creation of holding companies is part of a gradual transition from sectoral to functional property management, including share ownership. Meanwhile, the Institute of Management is being formed.



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Grapes expected in Olgovskoe

First harvest for commercial scale grape growing

Olgovskoe agricultural production co-operative society, in the Vitebsk Region, has devoted two hectares to growing about 350 vines, which are now ready to give their first test crop — to be sold through the commercial network

"The grapes we've purchased from famous vintner Viktor Kukharev are even sweeter than those from Spain," explains the Director of Olgovskoe Farm, Demiko Nadirashvili. "It's crucial that they survive the winter, so we've chosen our variety from among Kukharev's

600 frost-resistant sorts, ensuring that it is also suitable for our soil and for industrial production. In a year or two, each bush will produce up to 3kg of grapes."

If all goes well, Mr. Nadirashvili plans to increase the size of his vineyard 10-15 fold, collecting about 3-4 tonnes of grapes; he also plans to build his own storage facility and a small processing plant. He tells us, "We plan to make a profit not only on the grapes but on selling grafts of vines, nurtured in our nursery." Being a Georgian, he has faith in the symbol of his historic homeland.