Belarus stands out among its neighbours for roadside facilities, with investments into road infrastructure continuing

Toll system in the pipeline for certain classes of vehicles

An electronic toll system for transport vehicles using Belarusian roads will generate revenue to keep highways clean and well-maintained. It shouldn't affect traffic flow or impact on ordinary travellers, stresses President Lukashenko.

By Vasily Kharitonov

However, guests coming to Belarus for the first time may certainly receive a positive impression of our roads. Many Belarusians tend to take the state of highways for granted but much has been done to improve roads in recent years, as can be seen from the Brest road, near Stolbtsy, in the direction of Baranovichi. The old highway is in fair condition but hardly compares to the nearby multi-lane modern motorway. Naturally, huge investments are required to improve roads and only a toll system can be used to recoup such injections.

The Brest-Moscow motorway already uses a toll system, with Belarusian passenger cars exempt from payment. This generates around $60m a year, which goes some way to covering the cost of improvements. Similar tolls on other major Belarusian roads would give scope for further work. The modernised Mogilev road is almost completed while those towards Minsk and other regional centres have been partially revamped. The process is continuous, since road surfaces do degenerate with time and public expectations are ever rising. However, we all know that such work must be paid for.

BELTA

Good roads bring safety

The recent Presidential meeting tackled such issues, including the idea of a new automated electronic system of toll charging. Mr. Lukashenko clearly noted that the system must not negatively affect transit and, of course, it should be inexpensive for citizens. In fact, passenger cars from Belarus and other Customs Union member states will continue travelling free of charge.

Erwin Toplak, the Chief Operating Officer of Kapsch TrafficCom AG company, explained that devices the size of a cigarette packet could be purchased from petrol stations and other road services, charged with funds which are deducted automatically on passing through toll areas. The balance is easily replenished, making the system simple and efficient.

No toll booths would be needed, allowing traffic to maintain speed. While about 20 percent of all payments on existing toll roads go unpaid, the Austrians promise that this would reduce to 3-5 percent using the new system. They even guarantee coverage of shortfall if the figure is different. The system would cost $267m to set up but, as the Deputy Prime Minister, Anatoly Kalinin, notes, traditional toll booth systems cost 2-2.5 times more. Within three years, the project would pay for itself, with the investor receiving 40 percent of collected fees over this period (20 percent to cover injections and another 20 percent to pay for servicing the system). After investments are repaid (Belarus would contribute nothing), the country would claim 80 percent of each toll, with the Austrian partners bearing all expenses relating to servicing the system, its maintenance and updating over the next 20 years. This would bring about $3bn into the state budget. Moreover, the Austrians promise to source at least 30 percent of equipment locally, creating employment and onward benefits. Talks are continuing with the State Committee of Military Industry.

The idea is certainly interesting but the President is keen to know whether the 80:20 ratio is economically feasible and how it has been decided upon. The Austrians explain that a reduced share might be possible if transport flow grows. The company has good experience of setting up such toll systems, making it a viable partner. Kapsch Holding already runs a telecommunication division with one of our mobile operators, so also has experience of working with Belarus.

At the end of the meeting, the President requested that time be given to study the financial aspects of the issue, taking into consideration the obligation to repay investments in the stipulated time. Mr. Toplak was somewhat concerned by the lack of clear terms but Mr. Lukashenko responded by noting that a corresponding draft decree would be prepared to cover all aspects of the partnership.

Mr. Lukashenko noted that the Austrian investor might be interested in other projects in Belarus — such as a management system for Minsk's city transport, which is currently being developed.

Four 'legs' of investment 'stool'

By Alexander Buinov

Government discusses implementation of state investment programme

Around 300 state investment projects are being currently realised in our country, in various stages of implementation. This year, a third should be completed, meeting targets. However, the Government wishes to see greater attention paid to the quality of investments rather than their quantity.

"The number of projects within the state investment programme has been met, with 26 sites launched — including start-up facilities; the planned number was 23," notes Anatoly Nichkasov, Belarus' Architecture and Construction Minister. He tells us that 110 sites are coming into operation in 2012 as part of the state programme and, over the first seven months of this year, Br4.5 trillion has been invested. Of this, Br3.5 trillion has been from the Republican budget, while local budgets have provided Br1 trillion.

"Being budgetary money, we should treat each Rouble carefully. Br4.5 trillion is a notable sum," underlines Mikhail Myasnikovich, the Head of the Belarusian Government. "Our state investment programme results are not bad but the major issue isn't whether funds have been used successfully or otherwise. We need to look at what we'll receive as a result of implementing these investment projects."

Mr. Myasnikovich views the state investment programme as a vital document, but notes, "It is one part of ongoing work to attract investments into basic capital. We should examine all investment activity, looking at all sources of financing: enterprises' own funds, credit resources, direct foreign investments and budgetary funds. We should analyse all four 'legs' of the investment 'stool'."

He notes the weakness of the domestic investment portfolio, saying that injections into machinery and equipment are less obvious than those invested into building factory walls. "We need to scrutinise the whole programme for 2013, assessing each site," he explains.