

# Great financial benefits from implementing sensible initiatives

Sberbank of Russia (Savings Bank of the Russian Federation) is known to all, boasting a good reputation and a record of success. These days, it offers loans not only to a considerable segment of the Russian economy but funds projects abroad. The Chairman of Sberbank's Board, German Gref, also needs no introduction, being a brilliant financier and organiser, famous as one of the most capable and creative Russian managers.

By Dmitry Krakov

Those who monitor the development of inter-state relations remember that Mr. Gref was the first to lay the foundations of the Union State, during his time as Federal Minister. Later, as an influential banker, he worked hard to create a climate of trust between the banking institutions of our countries. Now, Sberbank is an active player on the financial and credit field of Belarus, as well as being one of the most sincere (although, of course pragmatic) of our partners.

Prospects for the expansion of Sberbank's liaisons with Belarusian banks and with the state were recently discussed at a meeting between President Lukashenko and Mr. Gref, during a forum hosted by BPS-Sberbank in Minsk. The event gathered Russian Sberbank's subsidiaries, much to Mr. Lukashenko's pleasure; he noted, "It's great for us to see the extent of your

trust in our country."

This level of trust and interaction is evident in the major projects being planned. Moreover, Belarus is keen to support well-thought-out business initiatives, to develop collaboration. The Belarusian President told Mr. Gref, "We agree that, within a definite period of time, we should meet to jointly propose new paths of cooperation at a higher level." Speaking of new projects, he added, "If these are acceptable, we'll be pleased to meet a giant like Sberbank of Russia halfway."

The guest thanked Belarusian partners for their active collaboration over recent years, which continues to develop dynamically. "The plans we envisage through to 2014, as set out in our bilateral investment agreement, will be almost reached this year — two years ahead of our deadline," stresses Mr. Gref.

After meeting with the President, Mr. Gref shared his thoughts



Alexander Lukashenko and German Gref hold effective meeting

with journalists, noting, "We have seen very good results; this year, our bank [BPS-Sberbank] earned around \$100m of net profit a very good result. We have excellent employees and conscientious borrowers. Moreover, we boast one of the lowest portfolio losses among all the countries in which we operate."

Sberbank's funding of projects in economy is rather impressive, standing at over \$6.5bn at present. Over

the last three years, it has invested over \$11bn via project loans. Mr. Gref emphasises that Sberbank is happy to extend Belaruskali's \$1bn loan, given last year; it was directed into gold and currency reserves. Belarus has already declared its readiness to redeem the debt in advance but other beneficial proposals exist, so it makes sense to extend liaisons beyond the financial sphere.

"We've discussed possible further

steps and investments and can now study various investment opportunities in Belarus, such as the development of the potash salt deposit — one of the largest proposals. We're working on a business plan and I hope we'll be able to take a decision within six months. This would be a significant investment into Belarus but would be a landmark project," notes Mr. Gref. Naturally, major business deals require a responsible approach.

## Following stream of change

By Alexey Alexandrovich

Top businesses have been given honoured awards once again, at the national Best Entrepreneur-2011 Contest

The annual awards ceremony recognises the weighty contribution of the private sector towards solving tasks with nationwide importance. The President of Belarus has demanded large-scale modernisation of the economy by the Government and, of course, the private sector has its role to play.

Before the ceremony began, I chatted with Alexander Rakovets, Director General of the Moscow-Minsk Bank, which won 'Best Bank to Render Services to Entrepreneurs'. He tells us, "The most vital focus is the quality of projects — as especially emphasised by the President.



During the awards ceremony

These should target the future, ensuring long-term competitiveness. Well-considered business plans are needed, with entrepreneurs viewing banks not just as sources of borrowing for today but as partners helping them plan for the future."

Businesses need not only bank support to develop their infrastructure but information and legal support, notes Alexander Moiseikin, the Di-

rector of the Gomel Regional Information and Methodical Centre ('Best Subject of Infrastructure Aiming to Support and Develop Entrepreneurship'). He explains, "Without support for production development, economy would stagnate. It's now impossible to enter new markets without high technologies so we need small and medium-sized businesses to create a database of worthy contemporary

ideas in this sphere."

Opening the awards ceremony, Belarus' Prime Minister, Mikhail Myasnikov, spoke of various aspects, including import-substitution, the presence of a shadow sector in the economy and the reduction of the tax burden. He particularly underlined, "Economies are changing all over the world so we should proceed from the fact that we live under conditions of overproduction of goods and services. This is especially acute for Belarus; accordingly, raising manufacturing volumes of traditional goods won't ensure the economic growth we require. New hi-tech research is essential, as we need to keep abreast of trends, or even surpass our rivals. If we lag behind, we won't ever catch up."

There is much for businesses to tackle before next year's awards ceremony.

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