

Whether rivals will help us

Belarusian light industry preparing for serious 'attack' of imported clothes and footwear on SES market

The accession of any country to the WTO is always a time of compromise, mutual benefits and obligations. Russia is no exception, despite joining on quite reasonable terms. However, some branches will benefit while others will lose — such as Customs Union light industry enterprises.

Russia's tariff obligations within the WTO envisage reduced rates of duty for imported ready-made goods and enhanced rates for imported components. This will bring cheaper goods from abroad into the three states of the Customs Union, with specialists forecasting a 10-15 percent rise in imported light industry goods within three years.

Bellegprom Concern is, naturally, concerned for its future, although the new rates won't become operational immediately, being introduced gradually over 3-5 years. Belarus' carpets and carpet goods are certainly threatened, since import duties on these will fall from 1 Euro to 0.38 Euros. "The essence of the problem is that cheaper clothes, footwear and carpets will appear across the whole Single Economic Space," explains Lyudmila Tyaglova, the Deputy Chair of Bellegprom. "As a result, competition among light industry goods will increase. If the cost of components rises, our competitiveness will suffer even more."

Nevertheless, some benefits exist, with common rules for all: when China and Vietnam joined the WTO, the volume of investments into light industry sharply rose in their states. As far as Belarus is concerned, the abolishment of import duties on technological equipment will promote modernisation. "In my opinion, this is a way to enhance our competitiveness



Mogilev textiles are in demand

under new economic conditions," stresses Ms. Tyaglova. Moreover, Belarusian businesses will acquire a civilised opportunity to counteract possible 'dumping' (not yet a problem but providing for the future).

Bellegprom has approved a strategy with the Economy Ministry and Foreign Ministry to tackle the new conditions and a joint project with the UNDP is being implemented, to promote Belarus' foreign economic activity. This involves various departments, including Bellegprom, which is working to create a single electronic trading venue. "We understand that it is vital to satisfy customer needs — es-

pecially in light industry, where trends move rapidly," explains Ms. Tyaglova. "We need to shift from mass production to small-series production, by restructuring manufacturing facilities. Of course, this is costly."

At present, many experts, including those in Russia, are concerned about how to compete with Chinese manufacturers. "We need to clearly analyse trade inflow, monitor imports and conduct a more aggressive trade policy," believes Alexander Kulinkovich, Senior Advisor of the Foreign Ministry's Foreign Economic Department.

It's impossible to introduce

non-tariff measures against goods from the Heavenly Empire but the WTO doesn't forbid other protective measures — such as anti-dumping. It's vital to stop 'grey imports' from surfacing via the border with Kazakhstan. "We need to unify conditions so that individual entrepreneurs and legal entities have a single import regime," explains Mr. Kulinkovich. "In this way, we can struggle against the negative consequences of Russia's WTO membership."

Opportunities also exist to support priority branches. According to an agreement on subsidies, targeted assistance for particular branches or enterprises is forbid-

den. However, WTO rules welcome state assistance of innovative producers. According to Mr. Kulinkovich, Russia is now reforming its support in line with this, simplifying customs procedures to reduce costs for domestic manufacturers — as welcomed by the WTO. "We're also likely to tackle this issue," adds Mr. Kulinkovich. "Excessive paperwork and customs point queues cost enterprises money, so we'll try to improve the situation, aiming to enter the top 30 most attractive countries for doing business."

The Economy Ministry believes that no real threat to Belarusian manufacturers will be evident until 2015.

Promoting privatisation and investment chances

By Inga Petrova

Web allows for fast and convenient access to information

A universal information portal for foreign investors has been launched in Belarus, in Russian and English, aiming to promote the investment opportunities of Belarus online, at investinbelarus.by.

"Its distinctive feature is its convenient search system, using such criteria as industry, region, size of investment, payback period and the form of foreign capital participation," experts explain. The database is updated as soon as ministries, corporations, local authorities and interested Belarusian companies provide information.

The site is already displaying about 50 investment projects categorised by degree of implementation. The agency has also prepared a visual presentation — comprising a brief description of the investment project, market analysis, competitive advantages and other information necessary for making decisions

on investment.

The site gives potential investors an idea of the investment climate and the benefits of investing in Belarus, while giving advice on how to launch a business in the country, and detailing the guarantees and preferences on which they can rely. Conditions for investment in priority sectors of the economy are presented separately, as are the possibilities of various Belarusian regions to create enterprises with foreign capital.

One section is devoted to the Agency's work to improve the efficiency of privatisation processes in Belarus. With the support of the World Bank in piloting privatisation, strategic investors for eight enterprises are being sought. The website also offers complete information on those enterprises being privatised and the advanced world technologies used in the search for strategic investors, allowing full transparency. The site has been created with the assistance of the World Bank and International Finance Corporation.

Crest of wave of popularity

Belarusians become more interested in remote banking services

Belarusbank specialists note that monthly turnovers using DBS have risen 68 percent since the beginning of the year; as of September 1st, 2012, these stood at almost Br50bn.

DBS services — SMS-banking, M-banking and Internet-banking — enable customers to perform a

wide range of banking transactions using their mobile phone or computer. A wide range of bills can be paid online — from utilities to the services of mobile operators, Internet providers and cable television.

One of the most popular DBS services is SMS-banking, with over 600,000 bank clients using this service.

Non-cash payments in August 2012, performed through SMS-banking, totalled around Br13bn.

Measures are being taken to develop the bank's system of non-cash payments. For instance drivers can more easily pay for fuel by card at service stations, since many are now equipped with Belarusbank info-kiosks. At present, 109 such fuelling stations offer non-cash payment, with the feature proving popular. In January 2012, 100 info-kiosks were operational, with over 7,000 operations performed that month. By August, the number of transactions had exceeded 61,000, covering payments of Br7.8bn.

Over 1,000 Belarusbank terminals have now been installed at Belarusian fuelling stations.

