

# Memorandum on co-operation already signed

Opening of 31st International *BelTEXlegprom. Autumn-2012* Specialised Exhibition-Fair of Light and Textile Industry Goods, in Minsk, sees business relations between Bellegprom Concern and Lithuanian Apparel and Textile Industry Association (Latia) take shape

By Alexander Kovalev

The memorandum aims to expand contacts, sharing experience on the production of goods and on the development of new technologies.

Vilnius is soon to host an annual wholesale exhibition, attended by Belarusian companies. "We want to present Belarusian light industry goods widely — from footwear and textiles to garments," notes Lyudmila Tyaglova, Bellegprom's Deputy Chair. She also refuted the common assumption that Belarusian produce on the domestic market isn't keeping abreast of fashionable trends and is less high quality than imported goods, saying that this is the opinion of only the uninformed. She laments, "We aren't creating separate collections for export and domestic sale, although it's vital for us to earn currency so we export half of our manufacture."

Belarus' Deputy Trade Minister, Edvard Matulis, notes that the exhibition provides a great opportunity to find interesting products and forge useful ties. "Belarusian light industry is on the rise, being able to meet the needs of the most demanding customers," he stresses. Meanwhile, the First Dep-

uty Chairman of Bellegprom Concern, Vladimir Astrovsky, tells us that companies affiliated with the Concern are modernising, reducing the depreciation of equipment from 84 percent to 50 percent; this should considerably enhance the competitiveness of our domestic products. The achievements of light industry are clearly visible, with companies updating their ranges by 60-70 percent every year, making them more popular with customers.

Over 170 Belarusian and foreign companies took part in the 31st International *BelTEXlegprom. Autumn-2012* Exhibition-Fair, including companies from Belarus, Russia, Ukraine, Poland, Latvia, India and Turkey. Bellegprom Concern was represented by over 50 companies; Spring-Summer 2013 women's, men's and children's clothing collections were presented.

The Fashion Centre, Kupalinka, Elema, Svitanak and Komintern demonstrated their collections at the event, as did students of the Vitebsk State Technological University and of the Baranovichi State Light Industry College. Znamya Industrializatsii JSC, BelCredo, Polesie and KIM also took part.

*BelTEXlegprom* is held in



Many interesting proposals at *BelTEXlegprom* exhibition

Minsk twice a year, organised by Bellegprom Concern, the Trade Ministry of Belarus, the Belexpo National Exhibition Centre and Russia's Roslegprom JSC and RLP-Yarmarka LLC.

## Meeting not only demands of domestic market but full export volumes abroad

Tree layer paperboard production being set up in Belarus from 2012-2017 with assistance of Chinese loans



Paper production in Dobrush for wallpaper manufacture

In order to establish high-tech import-substitution production from 2012-2017, Dobrush Paper Factory Geroy Truda (affiliated with the Management Company of the Belorusskie Oboi Holding Company) is setting up modernised

production of coated and uncoated paperboard. The project covers all processes from start to finish, with the full line in operation by 2015. In 2017, it should reach full production capacity of 200,000 tonnes per year of three-layer paperboard.

Factory construction is being conducted by Xuan Yuan Industrial Development Co. Ltd, using Chinese funds. The total cost of the project will be \$509.9m, using a \$348.6m loan from the China Development Bank over 13 years. The

payback period will be about 9.5 years.

The Management Company of the Belorusskie Oboi Holding Company is receiving state support from 2012-2025 to accelerate its production rate and profitability. The company is now owned by Bellesbumprom Concern and is headed by its chairman: the Deputy Prime Minister.

It is hoped that the country can become independent of imports in the sphere of coated paperboard, meeting domestic demand. Additionally, export revenue could be generated from sales far and wide. From 2012-2017, the company's turnover should rise more than 10-fold, with tax payments into the budget increasing 9.2-fold. Net profit could rise from \$0.2m (2011) to \$56.3m (2017).

## Agreement reached

Dutch company considering bio-fertiliser production in Belarus

According to the Agriculture and Food Ministry's press service, Dutch Wise Use International is considering manufacturing biological fertilisers and growth bio-stimulants for agricultural crops in Belarus — as discussed at a meeting between Belarus' Agriculture and Food Minister, Leonid Zayets, and top executives of the Dutch company.

An agreement to test the products at several Belarusian farms has been reached. Assistance is being offered from Belarusian research institutions and the decision on whether Belarus would like to use the products will then be taken.

## Purposefully towards further integration

"The IPO should attract strategic and financial investors, with an additional issue of shares likely. Funds will then be invested in new technologies to strengthen our competitive advantage within the Customs Union and the Common Economic Space," explains Yuri Predko, Director General of the holding management company of Horizont.

To enter the international exchange, reports must be submitted for three years in accordance with International Financial Reporting Standards (IFRS); Horizont has been doing this for just one year. "Our system, including the management structure, must meet certain international standards, being clear to all those who wish to liaise with us. Secondly, our reporting and accounting must be maintained to International Financial Reporting Standards," notes the Director General.

He acknowledges that entering the IPO is a difficult process but that the company is determined to do so, integrating with international holdings. This will lead to the creation of new production enterprises using Belarusian capital abroad.

## Meeting all today's world standards

Atlant JSC to produce dishwashers

The exact terms of manufacture are yet to be specified but Atlant's Director General, Victor Shumilo, tells us, "The enterprise's development and technical modernisation primarily rely on making world class goods which can rival foreign analogues. It would be impossible to sell them otherwise, as everything hinges on the economic situation."

A final decision will be adopted next year, based on market analysis and assessment of costs. However, Mr. Shumilo is convinced that there is potential to expand Atlant's sales market. "Within 5-10 years, most families will own a dishwasher," he stresses, adding that demand will rise above current supply. Atlant JSC has been involved in manufacturing household appliances since 1959 and is one of the leading CIS companies in this sphere.