



Eurasian Development Bank during Internet-conference, held in Minsk

Everyone has priorities, with business no exception

Since the early 1990s, most Russian foreign investments have been made in Ukraine, Kazakhstan and Belarus

By Anna Semenova

The Eurasian Development Bank, created in 2006 to promote the development of its members (Russia, Kazakhstan, Belarus, Armenia, Tajikistan and Kyrgyzstan) has conducted a major study of the investment market across the CIS and Georgia, helped by the Institute of World Economy and International Relations of the Russian Academy of Sciences.

Their study of 600 mutual bargains, starting from \$3m (from the Internet, newspapers, business magazines and corporate reports) differs greatly from official statistics, which say that a third of Russian Roubles are invested in Cyprus, 15 percent in the Netherlands and 12 percent in the Virgin Islands. According to such statistics, in 2011, Ukrainian businessmen also placed 90 percent of funds in Cyprus, while 80 percent of Kazakhstan's money went to the Netherlands

and UK. In fact, the truth is that offshore companies have been used. According to Yevgeny Vinokurov, Director of the EDB Centre for Integration Studies, central banks do not take into account reinvested funds earned and invested in business development abroad.

According to the EDB, investment transactions across the CIS and Georgia over the past 20 years have amounted to \$56bn. Every sixth project is worth over \$100m, with Russia the undisputed major donor, responsible for 391 investment projects (87 percent). In all, 42 have been implemented in Kazakhstan, and 41 in Belarus.

An investment boom in the CIS and Georgia took place in the 2000s, reaching its peak between 2006 and 2008. Funding has fallen recently but, even in times of crisis, companies have sought niches in which to expand, promoting cross-border transactions. In the 1990s, as we might guess, investment was drawn

mainly to oil and gas. In the 2000s, telecommunications gained force and, now, the food and light industries, real estate, hotel businesses and engineering are drawing attention. According to Alexey Kuznetsov, Director of the Centre for European Studies at the Institute of World Economy and International Relations of the RAS, these are likely to grow further over the coming five years.

Kazakhstan (\$3bn) and Ukraine (\$1bn) are the CIS countries which have invested most in Russia, while Belarus has begun to become active within Russia's commodity distribution networks and assembly plants. In fact, data collected by the EDB on investments in and from Belarus differs only minimally from official statistics. The biggest

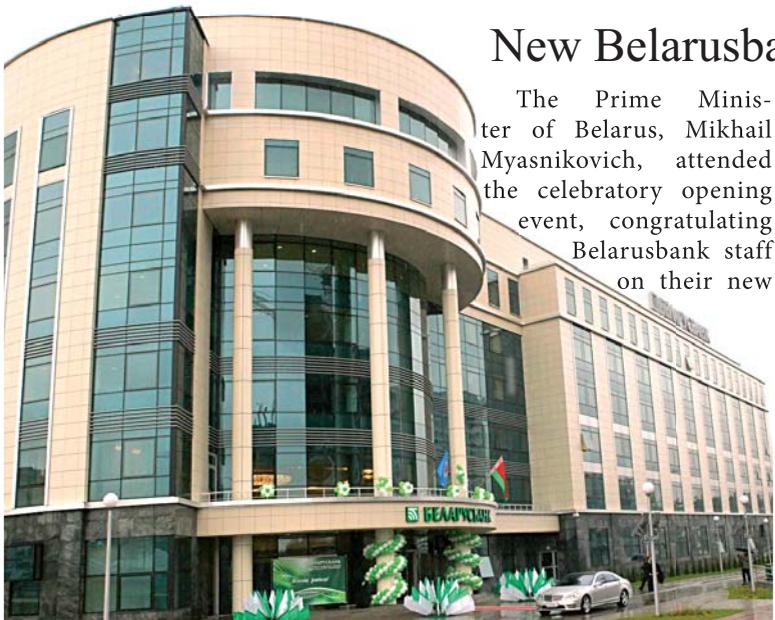


deal involved the sale of Beltransgas to Gazprom, making this company the clear leader for investment volumes among CIS countries.

According to Igor Finogenov, Chairman of the EDB Management Board, the data should prove interesting to businesses and CIS governments — especially as it is being constantly updated.

Belarusbank ready to face future

New Belarusbank central office launches in Minsk



The Prime Minister of Belarus, Mikhail Myasnikov, attended the celebratory opening event, congratulating Belarusbank staff on their new

building and on their 90th anniversary. "Belarusbank is a pillar of our state, skilfully supporting our national economy's strengths and the potential in our families," he stressed. He added that, despite economic difficulties, Belarusbank had found effective mechanisms for solving problems.

"Over the next ten or, at the very most, twenty, years, the world will fundamentally change, as will the economy of Belarus. Traditional products and services now being over produced here and all over the world won't ensure rapid growth — as required

by society and every family. Belarusbank is ready to face future challenges, having huge intellectual potential and enormous financial capacity; nearly half of all our bank assets are held by Belarusbank," emphasised Mr. Myasnikov. He stresses that the most important resource held by the bank is its staff since they are responsible 'for the new initiatives and new banking technologies being implemented'. He hopes that these will continue to be a priority and noted that Belarusbank is known far beyond Belarus, being respected around the globe.

Owners of agro-estates to learn modern marketing

In Brest, the UNDP Local Entrepreneurship and Economic Development project has begun, with almost \$2m being invested into 'green' tourism across the Brest and Grodno regions

The Director of the Tourism Department of the Ministry of Sports and Tourism, Vadim Karmazin, believes the move is timely since, in 2011, the number of those involved in the field of agro tourism rose on the previous year by 26 percent. In the Brest Region alone, the number of registered agro-estates reached over two hundred.

However, according to the Deputy Chairman of the Brest Regional Executive Committee, Leonid Tsuprik, ten times more could be possible; if all goes well, maybe it will be so. The project will help to establish reception of guests at the highest level, with hosts learning computer skills and foreign languages to help with bookings and care of visitors.

Most of the funds are to be directed towards development across 16 destinations in the Brest and Grodno regions, improving routes and facilities for tourists. Public-private partnership is the main condition for participation. Applications will receive approval by the end of October, with district executive committees, travel agencies and private agro-estate owners eligible, alongside village councils which represent the rural population and local authorities.

Diploma assists career

British Magna Carta College awards grants for its MBA programme in Oxford

Famous athlete Alexandra Gerasimenya, a twice silver swimming medallist at the London Olympics, has won the first such grant, with the second going to ONT TV Channel host Alexander Averkov, who holds the State Award of Belarus.

At the grant awards ceremony, Ms. Gerasimenya warmly thanked the partnership office of Magna Carta College Oxford on behalf of the CIS for the opportunity to receive a British university diploma. "Athletes can't perform for long so, sooner or later, you need to make post-retirement plans. I hope that my British diploma in business administration will help me greatly in my future career," she noted.

According to Vadim Titov, Executive Director of Magna Carta College Oxford, a third grant was available for an outstanding economics student but none of the applicants proved suitable. He views the scholarships as an important social project, since managers boasting a classical British business education will surely be in demand in Belarus.

"If someone has proven successful without special economic or managerial knowledge, their achievements with this knowledge will be even more noticeable and useful for the country," Mr. Titov is convinced.