

Importance of Eurasian integration

President of Belarus becomes laureate of Kazakhstan's *Person of the Year* National Award

The National *Person of the Year* Award is granted for achievements in spheres of strategic importance: science, culture, state management, socially responsible business, charity and enlightenment.

This year's laureates of Kazakhstan's *Person of the*

Year National Award in the 'State Policy' nomination are President of Belarus Alexander Lukashenko, President of Kazakhstan Nursultan Nazarbayev and President of Russia Vladimir Putin. The leaders of the three countries have been awarded for their

contribution to the establishment of the EurAsEC and the Customs Union.

In a telegram sent to the Expert Council and laureates, President Nazarbayev expressed his gratitude for being awarded and remarked that the recognition of the

work of the leaders of Customs Union states underlines the importance of Eurasian integration.

The award is given for rendering 'noticeable influence over the economic and social development of our countries' and notes that 'this

Union has proven its great efficiency in practice'.

Mr. Nazarbayev is confident that further development of the Customs Union will contribute to the well-being of citizens of Kazakhstan, Russia, and Belarus.

Over past years, the

award has been given to the Patriarch of Moscow and all Russia, Alexy II, writer Alexander Solzhenitsyn, academician Zhores Alferov, and cardio-surgeon Leo Bokeria, as well as other prominent public figures, scientists and heads of major enterprises.

Successful platform, where interests meet

By Vladimir Kharitonenko

Partnership with foreign business is a priority for Belarusian economic policy. Held in Minsk, the 7th Belarusian Investment Forum has been, without exaggeration, the major economic event of the year. About 500 businessmen and financiers from around the world attended, creating a real opportunity to attract foreign capital into the economy. For the business elite, it gave the chance to sign profitable contracts leading to major projects.

President Alexander Lukashenko noted in his speech, "The state guarantees investors the best conditions for doing business. We have a dynamically developing economy, a favourable investment and tax climate, good infrastructure, reliable protection and a number of preferences. Most importantly, we are at the centre of Europe, boasting talented, hard-working and hospitable Belarusian people."

According to experts, the total portfolio of contracts concluded at the forum may be worth \$1bn. The Prime Minister of Belarus, Mikhail Myasnikov, believes that everything is in place to see contracts through, while unprecedented tax benefits and preferences have been created for investors. The country has made a real breakthrough in its investment and tax legislation, with the number of activities requiring a license reduced by one third over the past two years. Today, Belarus is ranked 58th out of 186 countries for ease of doing business and is among the top three for reform.

A draft decree on foreign depositary receipts has already been prepared, allowing domestic companies to conduct international public offering (IPO) on foreign financial markets. "The road to the capital markets of New York, London, Hong Kong and Tokyo will open to our leading corporations," notes the PM. Meanwhile, the Economy Minister, Nikolai Snopkov, plans to offer land for private ownership by foreign investors within the next year. Laws on investment and public-private partnership are also being improved.

Mr. Myasnikov considers that domestic companies should be more actively making alliances with large transnational corporations. Worldwide, direct foreign



Investment potential of Belarus presented vividly at forum

investments are acquiring a transnational character. "Everyone is struggling for their market niche; simple trade, and the creation of joint ventures and service centres, is no longer enough. Commercial and financial capital are keen to make unions; it's already impossible to make sales without investing in importer," stresses Mr. Myasnikov. Opportunities provided from membership of the Customs Union and the Single Economic Space should be fully utilised.

On the first day of the forum, emergent entrepreneurs presented reports on their plans for innovative business projects, with most relating to IT. Ideas ranged from booking hotels at a single keystroke to the creation of networked morning cafes. Winners are to take part in an international contest for a contract with an investor.

One of the days at the forum was almost entirely devoted to Minsk. To date, 150 investment contracts (worth about \$4bn) have been signed and further potential for investment is clear. About 60 companies took part in Minsk's In-

vestment Day, most of which were foreign. They were presented with a dozen major projects and the more inquisitive were invited to join a business tour of possible sites for development.

The state Foreign Investment Advisory Council met during the forum: the first such meeting in three years. Naturally, there was much to discuss, with the PM noting that most foreign investment funds into Belarus are reinvested profits. He explained, "Investments tend to be into already operational projects. I see nothing bad in this. Investors take 20 percent of profits away from the country and invest 80 percent. This is typical of the investment climate in Belarus."

Prof. Mikhail Kovalev, a Doctor of Physical and Mathematical Sciences, tells us, "I'm convinced that each similar event improves the image of Belarus. Everyone who attended is saying how wonderful our country is: clean, tidy and stable — great conditions for doing business."

Another novelty this year is Startup Day at the Belarusian Youth

Investment Forum; it allows young entrepreneurs to present their innovative business projects. More than 200 projects took part, with 15 standing up to serious analysis across various spheres — from high tech to agriculture.

Khalfan Saeed Al Kaabi, the Vice Chairman of the Abu Dhabi Chamber of Commerce and Industry, tells us, "We've come from the UAE to explore investment opportunities in Belarus. It's our first visit but it's 'love at first sight'. We really like your proposals and are already calculating the benefits of certain projects. I can say one thing right now — we'll be coming back."

Peter Johansson, the Director General of a Norwegian investment company, notes, "We are already implementing an investment project in Minsk — building a large shopping and entertainment complex on Pobediteley Avenue. I've been here for six months, analysing the situation, so I can say that Belarus is a very interesting and favourable market for investments. We're now looking for other potential projects."

Room for improvement

Minsk hosts 2nd International Entrepreneurship Forum as part of Global Entrepreneurship Week

The event is already a traditional venue for businessmen to share their ideas, encouraging informal conversation between state officials and their colleagues. In his welcoming speech, the Economic Minister, Nikolai Snopkov, noted that private-state partnership is soon to be governed by legislation and should find wide application. He believes the law will become a driving force. Speaking of the role of entrepreneurship in society, Mr. Snopkov emphasised, "Are entrepreneurs just people focusing on making profit? No. They form the spirit of society, driving forward the dynamics of development and creativity." At present, Belarus has 5-6 times fewer businessmen than Sweden or Japan but Mr. Snopkov sees this as a starting point for growth.

Of course, those who've made achievements deserve praise. The Mentor of the Year award has been introduced, initiated by the Economic Minister and the Forum's organisers. Yuri Zisser, the Director of Reliable Programmes and a founder of the TUT.BY portal, is the first to receive the award, which recognises his work in sharing expertise with young people.

Much has been spoken of the need to develop business education. BERO Research Centre analyst Maria Akulova tells us that a poll conducted among entrepreneurs in July saw small and medium-sized business representatives citing lack of education as a major restraining factor. Of course, this 'self-criticism' deserves respect. The Chairman of MTBank, Andrey Zhishkevich, notes that, in the past, entrepreneurs mostly lacked access to finances; now, the system of loans for small and medium-sized businesses is well-developed and, despite rather high interest rates, entrepreneurs do not see them as a restraining factor. Rather, they are eager to advance their business skills.

The Deputy Director of the Department for Entrepreneurship at the Belarusian Economy Ministry, Piotr Arushanyants, tells us concisely how his department plans to further improve the business climate. "Firstly, we're creating real economic freedom. Much has already been done in this sphere, with the list of activities requiring a license reduced, alongside the number of administrative procedures; the remaining procedures have been simplified. Secondly, we're supporting strong ownership, to see more successful owners — including where companies are state owned. The last priority is to ensure equal access to resources — irrespective of the form of ownership."