

# MAZ ready to rival world giants

Minsk Automobile Works keen to develop and adopt new programme on diesel automobile construction development

The last MAZ programme finished more than a year ago, with the focus on mass production of engines and vehicles meeting international EURO-4 eco-standards. The latest plan aims to raise technical levels, continuing EURO-4 production and introducing EURO-5 vehicles, with plans for EURO-6 afoot. In order to remain competitive within the Single Economic Space, research and development needs to be ongoing, as stressed by the Deputy Financial Director of Minsk's Automobile Works JSC, Oleg Yushko, at a recent press conference. It is an opinion shared by many.

Competition in today's global market is a true concern for the

Belarusian giant. Besides the Single Economic Space, which removes all barriers to trade between Russia, Belarus and Kazakhstan, Russia's joining the WTO allows Western automobiles freer entry. Customs duties on imported trucks are dropping several-fold, so MAZ faces rivalry from those whose production costs are less, due to economies of scale: MAZ produces around 25,000 vehicles annually, compared to some foreign companies producing 3-4 times more.

"We know that we face a difficult situation but we won't change our ambitious plans regarding expansion on the Russian market by 5 percent," asserts Anatoly Dedkov,

MAZ's Deputy Director General. "To achieve a stable position on the Russian market, we should focus on enhancing our technological level while expanding our range."

It's difficult to deny the necessity

### The MT's reference

*Over the next five years, Minsk Automobile Works is to set up manufacture of super low-floor buses with two or three sections, using hybrid power units, as well as module-type multiple-link road trains with a capacity of up to 120 tonnes. In total, MAZ produces over 500 models and modifications of truck tractors, sided trucks and medium-duty vehicles, as well as heavy duty dump trucks and cross-country vehicles.*

of these measures. Moreover, the Belarusian Government believes that MAZ cannot work alone on the foreign market; negotiations have been already underway for a year to

create a holding between MAZ JSC and Russian KAMAZ JSC. A similar proposal has been received from Russian GAZ Group. MAZ's assets are being assessed — as is obligatory in such cases.

"It's difficult to decide but we must," noted Vladimir Semashko, Belarus' First Deputy Prime Minister, addressing the country's Industry Ministry. Shares in Minsk

Automobile Works are currently 100 percent owned by the state; accordingly, the enterprise is managed wholly by the state. It is uncertain when a new development programme for Belarus and Russia regarding diesel automobile construction will be adopted, but it would certainly become an acid test for the future.

Co-operation has previously been discussed, with the aim of moving towards joint EURO-5 automobile technology. However, talks failed. A management company for collaboration has been established however, so it should be easier to prepare a future programme of business partnership.



BELTA

Innovative MAZ-6440 launched onto market

## Deep integration should eventually lead to finish line

Russia to help Belarus join World Trade Organization



By Alexander Bogomazov

Recently, it was announced that a Russian team of negotiators (to join Belarus in talks regarding joining the WTO) is to be headed by the authoritative and experienced economist, Maxim Medvedkov, who is also the Director of the Russian Ministry for Economic Development's Department of Trade Negotiations. The news was given by the Ambassador Extraordinary of Russia to Belarus, H.E. Mr. Alexander Surikov, during an Internet briefing organised by the souyz.by information-analytical portal and Belarus' National Press Centre.

On December 20th, 2011, Russian Prime Minister Vladimir Putin and President of Belarus, Alexander Lukashenko, signed a special memorandum regarding Russia's complete assistance in helping Belarus join the WTO. After the document's signing, the Minister for Industry and the Agro-Industrial Complex of the Eurasian Economic Commission, Sergei Sidorsky, noted, "In the coming years, Belarusians and Russian colleagues will work together on this matter. The latter's assistance will provide deep integration, which should enable Belarus to eventually join the WTO."

So far, Russian and Belarusian of-

ficials are refraining from clarifying any timeline for the process but hints are that talks can take quite some time.

Russia joined the WTO not long ago — on December 16th, 2011 — after many years of completing complicated talks. It was even supposed that the Customs Union's three members — Russia, Kazakhstan and Belarus — might join as a single entity. However, the WTO rejected the idea.

"We hope that our efforts will result in Belarus and Kazakhstan overcoming all stages of talks in a short period of time. Probably, they won't take 18 years to join [as taken by Russia]," Mr. Surikov mused. He believes there to be positive and negative consequences in joining the WTO. "Evidently, raw material branches will benefit. However, Russia will experience positive and negative aspects, as it has a private sector. Similarly, Belarus has few raw materials but boasts branches connected with the processing of Russian raw materials," added Mr. Surikov.

## Ecological issues are top priority

By Nina Vesnina

**British Environova Consulting Ltd. plans to invest in alternative power engineering in Belarus, as noted by private investor Simon Hume-Kendall, their Advisor for Investments and Energy**



Prospects for co-operation in power engineering have already been discussed during a meeting between British investors and Belarus' Prime Minister, Mikhail Myasnikovich. Mr. Kendall notes that his company is keen to process wood industry waste (manufacturing pellets) and animal waste, as

well as pressing peat (Belarus has enough deposits for 60 years).

"Our experts believe that your country is rich in mineral resources for alternative power engineering.

Potential is high for wood waste, animal waste and water energy," explains Mr. Kendall.

He underlines that the Republic will only benefit from alternative energy projects, since prices for imported oil and gas are rising.

Production of heat and electricity from renewable resources is certainly beneficial. Moreover, such projects are ecologically friendly. Environova Consulting Ltd. specialises in projects using renewable energy sources, working in Russia, Ukraine, Lithuania and Turkmenistan.