

Entrepreneurs represent National Business Platform

Chairman of Minsk Capital Union of Entrepreneurs and Employers, Vladimir Karyagin, and Chairman of the Republican Confederation of Entrepreneurs, Victor Margelov, unveil draft project for 2012 National Business Platform

By Alexey Nemerov

The annual National Business Platform of Belarus has been operational in Belarus since 2006, allowing Belarusian business circles to feedback to the Government. It traditionally collates a list of entrepreneurs' expectations regarding the liberalisation of the business climate and expresses the consolidated position of the business community on issues of private business development in Belarus.

This year's document looks at how best to tackle new levels of competition arising from the Single Economic Space. Free movement of goods, services, money and workforce within our three member countries creates a serious challenge for the Belarusian economy and businesses, demanding facilitated restructuring and modernisation of the real sector. According to Mr. Karyagin and Mr. Margelov, state-private partnership could

become a fruitful model, enhancing competitiveness.

The business community is offering several dozen proposals which it hopes will drive forward the business potential of Belarus. Six avenues are being defined as a priority: the macroeconomic environment, demonopolisation and fair competition within the Single Economic Space, the expansion of private initiative and responsibility, the optimisation of the regulatory and tax burden, more efficient corporate and state management, and three-lateral cooperation of businesses, society and the state.

Entrepreneurial development is seen as vital, with the Government invited to jointly prepare a package of decisions on the development of production oriented entrepreneurship — for urban and rural areas.



Buda-Koshelevo District aims to promote private business development through the transfer and sale of empty communal facilities, with private companies comprising 70 percent of its manufacturing sector

Modern planes for air carriers



Belavia focuses on updating fleet

Belarus and Kazakhstan continue talks with Russia on prolonging tax free import of aircraft until 2019, within the framework of the Single Economic Space

Belavia's General Director, Anatoly Gusarov, tells us that introducing customs fees on aviation imported into the Customs Union is a

problematic issue within the framework of the Single Economic Space. "Russian aircraft manufacturers' interests were lobbied but — owing to a single position shared with Kazakhstan — we've managed to settle the problem: until July 1st, 2014, the air companies of Belarus and Kazakhstan will be able to import planes without customs fees," he notes.

With this in mind, Belarusian and Kazakh air companies are trying to drastically renew their air fleet. In particular, Kazakhstan has signed a large contract to buy new Boeings. "We are also trying to do this by July 1st, 2014," says Mr. Gusarov. "However, jointly with Kazakhstan, we continue to actively insist on the prolongation of this period until 2019; otherwise, we'll fail to fully modernise our fleet with a sufficient number of competitive comfortable and economical planes."

At present, Belavia owns six Boeing 737-500s, four Boeing 737-300s, one CRJ-100LR, three CRJ-200LRs and three Tu-154Ms. The company is preparing for operating under the new conditions of the Single Economic Space. "Of course, we'll lose in some aspects — due to enhanced competition. However, we'll simultaneously gain access to the Russian market and inter-Russian transportation within the Single Economic Space. We'll be competitive and shall actively use our SES advantages," notes Mr. Gusarov.

Paying off debts to meet plan

\$1.6bn of state budgetary money set aside to service Belarus' foreign debt in 2012

Belarus' Deputy Finance Minister, Maxim Yermolovich, has told journalists that, this year, Belarus will fulfil all its external obligations, with payments peaking in 2013-2014.

Belarus' external debt stood at Br111.888 trillion in national currency terms as of January 1st,

2012. This includes loans from international financial organisations, foreign states and other foreign lenders, as well as obligations upon guarantees of the Belarusian Government.

In 2011 Belarus' foreign debt grew as a result of untied credit resources borrowed to replenish the country's gold and foreign currency reserves. These comprised bonds on the international finan-

cial market (\$800m), and loans from the EurAsEC Anti-Crisis Fund (\$1.24bn) and Sberbank of Russia (\$1bn). Debt growth was also caused by the financing of investment projects in the fields of power engineering and construction materials and the social sphere — at the expense of external state loans (from China and the International Bank for Reconstruction and Development).

Advantages have decisive meaning

Belarus is CIS leader in Visa payments



ARTUR PRUPAS

compare the third quarter of 2011 with the same period of 2010, it's clear that there has been steady growth in usage — of 19 percent. Meanwhile, turnover in outlet chains has been growing even more quickly — up 26 percent," Mr. Kovalev tells us. He emphasises that usage in shops (against the total card turnover) is the most vital figure — currently covering almost 15 percent. "This is one of the best results among CIS states," stresses the expert.

Analysing the results of the past year's work, Mr. Kovalev notes that Belarus is seeing positive dynamics in Visa use. "Over the past year (comparing data from the third quarter of 2011 and that from 2010) we see that the number of Visa cards issued by Belarusian banks grew by 2 percent," he tells us. Positive trends have been observed in the development of infrastructure too, with more outlets accepting Visa cards. ATMs and POS-terminals rose in number by 31 percent in 2011.

Belarus launched the VISA Infinite in 2011 (joining the Visa Gold and Visa Platinum). At present, 18 Belarusian banks offer Visa premium products, with Visa premium cards accounting for around 1 percent of the total number of cards issued in the Republic. Around 5 percent of Visa transactions are performed with premium cards.

By Nikolay Nemchinov

According to Igor Kovalev, a representative of the Visa Company in Belarus, Belarusians are actively using their Visa cards to pay for goods and services. "Figures speak for themselves. If we