

# Good style always in fashion

Most Belarusian men probably have at least one shirt produced by ELIZ JSC. The factory is situated in Dzerzhinsk, near Minsk, and employs mostly women, whose income is bonus linked, to reflect the success of their firm. ELIZ is certainly forward looking, yet is experiencing difficulties, which inspired the President's visit.

By Vladimir Khromov

For a long time, our domestic light industry was viewed as one of the most problematic branches. However, gradually, the situation has improved. Ultimate goals are yet to be fulfilled but the future is looking bright. In 2012, Bellegprom Concern's net profit from its 23 sewing factories (responsible for 70 percent of Belarus-made products) rose slightly. Sales are demonstrating good profitability and its foreign trade balance is positive: almost \$90m. Sadly, the branch uses a great deal of obsolete equipment and, alarmingly, is known for its rather low salaries. This January, workers' pay rises stood at just Br78,000, keeping them below the state's \$500 target (in equivalent).

Low salaries are a sore point for ELIZ, although the factory's technology is among the most advanced within the branch. Its outdated machinery comprises 40 percent of the total, so it should manage to comply with national modernisation programme targets by 2015. Nevertheless, the President is concerned by the firm's



At Dzerzhinsk Sewing Factory ELIZ, women form most of the workforce

low salaries and low tax contributions, its export related problems and negative foreign trade balance; its storehouses are full of unsold products.

Bellegprom's Chairman, Mikhail Suchkov, and the General Director of ELIZ JSC, Yury Lukashovich, admit that problems exist and know that lack of competitiveness is at the heart of the situation. Raising employees' salaries won't help, since these are a major factor in prime cost; customers don't appreciate hikes in prices, naturally enough. However, the factory hopes that modernisation will raise efficiency.

The President visited the factory floor to see the new equipment.

Unsurprisingly, this has helped production efficiency and made work easier for the seamstresses. Much remains to be achieved though, with the technical modernisation programme running until 2015. According to the General Director, importers pay a modest 10 percent fee when importing clothes, while sewing factories pay 15 percent when buying raw materials from abroad. It's a headache for all Customs Union partners and, clearly, a joint solution is vital.

ELIZ is not simply renewing its production facilities but learning how to sell its goods profitably. Mr. Lukashenko visited the factory shop, which offers a wide range of clothes — from suits and ties, to

coats, knitwear and shirts. All are produced by Bellegprom companies and are designed to mix and match. The company's brand-name shops are arranged in a similar manner.

Time will show whether the factory's heads have chosen a correct strategy of development. Meanwhile, another important issue was tackled during the President's visit. The First Deputy Prime Minister, Vladimir Semashko, has proposed a new modernisation concept for Minsk's Kamvol JSC. Mr. Lukashenko was unhappy with the first, which suggested demolishing the original premises in favour of building a new facility. His tour of the site convinced him that recon-

struction was feasible and a more cost-effective solution (reducing the project's costs almost 3-fold). The new plan suggests that Minsk's modern Sukno JSC could take on some Kamvol staff and part of the production, while another part could move to Slonim's Worsted Spinning Mill. Kamvol's revamped premises could then become a communal property, re-equipped at a cost of \$96m (against the previously planned \$273m).

Mr. Lukashenko has promised to study the proposal in detail, making a final decision after his inspection of the Sukno and Slonim factories. Without doubt, the revamping of existing facilities is usually the cheapest solution.

## Fast rivers generating pure energy

**Italian PVB Group SPA to implement innovative projects in hydropower engineering in Belarus**

The Technical Director of PVB Group SPA, Plamen Dilkov, has announced his company's plans to implement several renewable energy projects in Belarus. In particular, it would like to build several hydro power plants on the country's major rivers, including the Dnieper, Zapadnaya Dvina and Nieman. Using innovative technologies, the Italian company will be able to help Belarus generate up to 1,000 MW of electricity.

"We've taken a serious step towards innovative production of power, developing a mobile bulb turbine without shields, operating underwater. It's more efficient, using upper and lower water currents, and is totally environmentally friendly, being certified in compliance with European standards," explains Mr. Dilkov. Five years ago, such technologies in the sphere of hydraulic power were non-existent. PVB Group SPA has been working on the design for twenty years.

Belarus' Deputy Energy Minister, Mikhail Mikhady-



Zaluzie mini hydro electric power plant in the Brest Region

uk, notes Belarus' eagerness to benefit from the company's expertise and knowledge in hydropower engineering. The latest hydropower installations are perfect for Belarus. Moreover, Belarus may set up a joint venture with Italy — even entering third markets together.

A delegation of specialists and experts is to visit existing PVB Group SPA facilities and those under construction, to learn from the Italian company's best practice. An investment agreement to construct a hydropower plant in Belarus should later be concluded.

## Reliable domestic machinery supplied to French and Belgian farmers

By Galina Grishkovets

**French Podia to expand supplies of Belarusian tractors to France, Belgium and Luxembourg to 2-3 thousand annually within next five years**

Podia's CEO, Eric Renault, noted at the presentation of the Belarusian machinery in Paris that he is confident of seeing buoyant export sales to the French, Belgian and Luxembourg markets. The French company has exclusive distribution rights for the promotion of Belarusian machinery

in these countries and will soon be adding African and Latin American countries to its portfolio.

It's no secret that Belarusian tractors are already delivered to many European countries while the French market is yet to be conquered. The Belarusian stand, jointly presented by MTZ and Podia, attracted great interest, with one French farmer noting that the Belarusian tractor he acquired in 1967 is still running smoothly.

'Solidity, Simplicity, Ecology' is Podia's slogan for promoting Belarusian goods in France.