

Average salaries on the up

Late 2012 average salaries reached \$500 (in equivalent) countrywide, meeting state target

By Lilia Khlystun

Until recently, much scepticism was voiced over rising salaries, due to the fear of inflation. However, the first three months of the year have passed without catastrophe. In fact, the exchange rate is steady, with sales in foreign currency exceeding expenditure on imports. Inflation remains within state targets, despite the \$500 salary equivalent having been met again. The last time this happened, in late 2010, the crisis year of 2011 followed. Vadim Iosub, a financial analyst and an official partner of Alpari (Minsk), comments, "I don't think that citizens were at fault for the 2011 crisis, although rising incomes led to increased demand for foreign currency, which signifi-

cantly reduced our gold and currency reserves." He asserts, "This was not the key reason for the crisis."

Rather, economists agree that a deficiency in the balance of payments was the root cause, inspired by growing domestic demand, which was inflamed by greater spending power (from salaries and accessible loans). The situation is now quite different. Last year, the current account deficit was just 3 percent of GDP; 16 percent was observed in 2011. Moreover, high interest rates on Rouble deposits transformed Belarusians' financial priorities, raising Rouble deposits over 1.5-fold.

It's true that salaries are hitting \$500 again but enterprises are now funding themselves, rather than using bank loans. Economist



Productivity improves — salaries rise

Dmitry Kruk, of the Belarusian Economic Research and Outreach Centre (BEROC), explains, "Since 2010, we've observed a rise in labour production efficiency; accordingly, this has led to a rise in 'real' salaries. Everything is simple: if a company works efficiently and gener-

ates profits, it can pay good money to its employees: up to \$1,000. In early 2011, only a few industrialists boasted such financial prosperity."

The Government predicts that, this year, real salaries countrywide will rise 7.1 percent. Summing up 2012's social-economic results, PM

Mikhail Myasnikovich notes that labour efficiency can yet be raised, to ensure that rising salaries are earned and justified. He views industrial modernisation and business planning as key instruments in achieving this goal. Some regional heads have ambitious plans. Not long ago,

the Chairman of the Vitebsk Regional Executive Committee, Alexander Kosinets, stressed that the region is to pay \$750-800 in average salaries by late 2013. Mogilev also hopes to reach \$700 in equivalent but such wages must be earned, reflecting raised industrial efficiency.

Domestic machinery with well marked prospects



Domestic and foreign road builders to use Amkador self-propelled grader

Amkador-Unikab in Molodechno manufactures Belarus' first self-propelled grader

The 'Amkador RD-165H' all-wheel drive self-propelled grader is produced under license from Polish Mista and is the first such to be assembled in Belarus, rivaling American models. In coming years, the enterprise plans to pro-

duce 50 self-propelled graders annually.

Compared to imported models, it boasts several advantages. In particular, its electrically controlled hydro-mechanical transmission enables it to shift gears while loaded, without power loss. Moreover, the front driving axle (with built-in travelling motors) significantly raises efficiency under tough con-

ditions. According to Belarus' First Deputy Prime Minister, Vladimir Semashko, such graders are popular in Belarus, as well as abroad.

"The Minsk Region alone needs 60 self-propelled graders annually while we have six regions countrywide," notes Mr. Semashko. Moreover, this machinery can be sold abroad; export expansion is one of our top priorities."

High standards are key to development

By Kirill Trifonov

President of International Electro-technical Commission (IEC) Klaus Wucherer praises Belarus' enhanced energy efficiency

The IEC Head recently visited Minsk to discuss the preparation and organisation of the IEC General Assembly, which is to be hosted by the Belarusian capital in 2015, for the first time. "It's a good chance to show off our high level of development and is a step towards showing Belarus' niche in electrical engineering," he noted.

Meeting Belarus' First Deputy Prime Minister, Vladimir Semashko, the IEC delegation discussed new areas in standardisation. Mr. Wucherer notes Belarus' great potential to efficiently develop its electronics and electrical engineering sectors: through the application of international standards.

The IEC General Assembly is a major event, gathering representatives of 160 countries; it will give Belarus a great opportunity to make business contacts — attracting new technologies and negotiating new investment projects with the world's leading companies.

Cashless payments gaining popularity

By 2015, all salaries to be paid into card accounts

The cashless payment system is gaining momentum in Belarus, especially as more salaries are increasingly being paid into card accounts. Over the past two years, a rising number of state and private sector employees, including those who are members of trade organisations, have been receiving salaries this way. International payment cards are also available if requested, for use when travelling

on business or holiday.

According to the National Bank, the share of cashless payments in retail sales and services is increasing year on year. However, many people still continue to use cash. The number of outlets welcoming card payments is also rising, and banks are to offer a wider range of card services in the years to come. The National Bank is sure that these steps will significantly increase people's use of cards over cash.