

Country's renewal — the way

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Those who stay ahead of the curve will win out. This frantic, wild pace, set by our man-made world, contrasts with our naturally quiet, deliberate mentality. We don't naturally choose a frantic pace of life. Nevertheless, we have no choice. We need to change, adapting to our high-speed world. If we don't, we'll be left behind economically and technologically, including in the information space.

The second requirement is flexibility.

The world is not just accelerating in its development; it is constantly changing. We have just become used to some commodities when others replace them — even within a year. We barely master the latest technology when it becomes out of date before our eyes.

At the same time, the world is surprisingly interdependent. To sell a product, it must be adapted for dozens of different countries and for numerous groups of consumers, whose tastes and preferences are constantly changing.

Flexibility (the ability to react promptly to change) is essential to our competitiveness. Of course, we must also throw off laziness and habit.

The third requirement is creativity.

If you simply copy, you'll always lag behind. Young nations learn from the outside world and, of course, reproduce what they see. However, at some stage, they need to present the world with something new.

Only creativity can allow us to break through into the leading group.

Dear friends!

The results of the economy work for the first quarter of this year are positive in general, but only against the background of the world economy development. The growth rate of the gross domestic product amounted to 103.5 percent, investments in basic capital amounted to 112.5 percent, including in the equipment — almost 122 percent.

We observe positive balance foreign trade in goods and services. The currency income is growing from month to month. Gold and foreign currency reserves are formed in amount of more than two months of import.

A stable situation on the domestic market comes from the fact that the supply of foreign currency exceeds the demand at all of its segments. By the way, since the beginning of the year, the National Bank has bought nearly \$600m.

Though the refinancing rate of the National Bank still remains high, taking into account the decrease of the inflation, it has been reduced up to 27 percent per annum. This means that the credit resources for the real sector of the economy are gradually becoming more affordable.

However, despite this positive trend, the reserves of ready products are growing actively in the warehouses of industrial enterprises both in absolute and relative terms.

On April 1st, there are ready products worth over Br30tr in the warehouses. This is almost twice more than last year.

What is the reason? I have not can-

celled my requirement to the Government to be one big Ministry of Trade. I ask the local authorities to join the Government immediately and provide specific results of the unloading the warehouses!

You have convinced me that when the warm time comes, spring and summer come, and the situation will change. We're waiting.

And the most important thing is that nobody has cancelled the tasks related to economy growth this year. The Government and the Parliament claimed voluntary without forcing these amounts of increase. Please, both the Government and the Parliament, start fulfilling your own decisions!

Remember, today there is no rea-

tion of our economy.

The second one is the society's informatisation.

The third one is the support of youth and its large-scale involvement in the state's construction in the broad sense.

We shouldn't miss the moment of upgrade at all segments of generations.

Now I'll provide more details.

Modernisation

The current stage of socio-economic development is special. It requires the accelerated pace of the process of modernisation. The fact is that happening at the present time change of the dominant technological struc-

society development.

One more thing... Today, one of our partners, the main one, in the Customs Union and the Single Economic Space — Russia — has joined the World Trade Organisation, and the second one — Kazakhstan — is on the verge of joining. This means that we are already actually working in the conditions of global competition. So, there is no other choice, but to update rapidly the economy.

Today, media is wicked a lot about the issue of modernisation today.

Our opponents say that the authorities have found another pre-election slogan. And, they say, everything will be limited just with empty talk. They come to a strange conclusion

Our way is not the destruction, but creation, not Manilov's dreams, but real projects for systematic economy development, improvement and steady increase of our production capacity. Primary attention is paid to the modernisation of the industries that use local raw materials.

I believe that the best answer to our opponents is concrete examples of what has been done and what remains to be done.

I'd like to point out one more time: the modernisation has started long ago in the country. I would even say that we are entering the final stages of modernisation. Therefore, we start to put an issue on it point-blank. We could continue doing this in the same calm pace, but the life has pushed us. Russia joining WTO, our old markets — this situation pushes us to move forward faster, so we should to complete this modernisation faster.

Talking about the fact that the modernisation has started long ago, let's remember agriculture. It has been upgrading for a decade already. And within the framework of this modernisation, we have invested \$40m only in the revival programme.

For example, woodworking. I give specifically well-known examples. The modernisation programme for woodworking when it starts working with a good profit will be completed by November 7th. This is the time when we should show people examples of decent work.

Let's talk about power engineering, which we have discussed recently, and have mentioned a lot of disadvantages there. We have invested \$7bn for the recent 5-6 years. Yes, we have talked about the shortcomings and the minister was affected because of this, but we have got new power engineering.

Further, oil refining goes. Remember when with participation of the President, together with responsible Russian partners, we opened new production at the Mozyr Oil Refinery. Remember, how many times I had to come, including opening new productions. We created new enterprises at the Novopolotsk Oil Refinery. Today, our partners, who produce oil, stand in line to get to our oil refineries with their raw materials. I ask them, "Why? Don't you have places in Russia or somewhere else?" "No, you are twice ahead of us in oil refining." You have heard recently a report from Mozyr about absolutely unique production. They produce the most modern fuel.

I even see that Alexander Alexandrovich [Alexander Surikov — the Russian Ambassador to Belarus] says smiling, "Yes, indeed, this is so." He supports me. But, this has started probably about 15 years ago.

All this is modernisation, but then we couldn't move as a single front, because we did not have either resources or money to conduct this upgrade as a single front. Then, we upgraded separately objects on which our life depends. Our economy was skewed, and has until now: we produced 70-80 percent of what we have never used. We have not used raw materials, because the main line in the world is a struggle for raw materials. We had resources under foot, but we did not use them in full.

So we have started to improve our economy by turning to our own raw



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son to relax. Yes, it seems that crisis has been left behind and we are moving forward gradually. But when we relax at least for a while, the life will punish us severely for this, because the markets of our main consumers — European Union and Russia — have sagged, the situation is complicated.

The key problem of our economy is the competitiveness of domestic goods. And to win in the severe competitive war at the global market, we should constantly update our knowledge, technologies, equipment and management systems.

So today, the main backbone idea for Belarus is the idea of renewal.

Renewal is not a rejection of our model and the previous path.

Renewal is a new stage of our development.

When we talk about upgrading, modernisation, ultimately this doesn't mean that this is President's yesterday's fiction. We approached this long ago, and even moved forward significantly in some mane directions in terms of modernisation.

Modernisation means the update of what has been left from previous generations, from technologies of the country that was the leader in its development. We have not ruined this, but it's time to update. In addition, we not only renew the old, we also are building new enterprises. But I'll tell later about this.

At the same time, we should rely on three strong national projects that will update the state.

The first project is the modernisa-

tures opens a 'window of opportunities' for successful entry into a new wave of economic growth.

In these times of large-scale global technological movements 'window of opportunities' allows individual countries to get ahead and make an economic breakthrough. And we should take advantage of this experience.

We discussed these issues in March at the meeting of the Council of Ministers. Even if in tough, as Premier says, severe form, but we have discussed these issues and, in my opinion, we have understood one another, agreed. We have established criteria for the effectiveness of modernisation — the achievement of annual revenue per employee of not less than \$60,000.

We have identified the necessary conditions that the Government, the National Bank and the Governors should create for the successful modernisation.

It's not necessary to convince anyone in the importance of the modernisation.

Its necessity is obvious. Why obvious? Because the world is developing, and, in general, the world has never stood still. There have been some regressions in the development of society, for example, in the case of war. But even the war pushed the society forward in its development. So, we should just improve all the processes, not mentioning the base, the foundation of any state and society — economy.

So there is no sense to argue if the modernisation is necessary or not. This is an objective process of state and

that the competitiveness growth potential of Belarusian products has been exhausted and in absolute terms, the degradation of our economy is going on. Therefore, there is no need to modernise it, we should just forget about it and take a radically different model. Well, we have already faced this. Even with you, I'm not talking about myself. For this time, I have already got such lessons several times. I was suggested: "There is no need in new combine, no need in new machines, we will buy everything abroad," "these enterprises should be liquidated, sold for a penny, we don't need them." Time has passed. We have chosen a different path. And what do we have today? It turns out that those, who suggested this to us, say today, "Belarusians do good job". Someone whispers somewhere in the diplomatic sidelines, but we, you and I, see that we were right, choosing this way.

There no again new ideas of our opponents, public or private enemies, the 'fifth column', so they use again 'the old weapon': let's close everything and liquidate...

Well, let's imagine this: we close everything today. And what will people do tomorrow? Where will they get paid, even though the average of \$500?

In short, these are old songs on 'let's destroy to the ground, and then', which have merged countries in the chaos of social disruption and economic regress several times in the history.

As they say, to break is not to build — much mind is not required.