

# Labour force is the most important asset of economy

For the economy to develop in a contemporary fashion, a new generation of innovation-supporting public officials is needed

Newly implemented technologies are behind up to 85 percent of GDP in some countries, with great emphasis placed on training specialists to apply their theoretical knowledge to high-tech manufacturing. Igor Gancherenok, the Proctor for Academic Work at the Academy of Management (under the President of the Republic of Belarus), shares his views on maximising labour potential.

At present, our world is experiencing a period of global change, with the most amazing theoretical ideas finding practical application. Of course, export-oriented nations are most sensitive to globalisation — our Republic among them. Manufactures must be sold. However, with markets opening, competition is becoming tougher. To keep abreast of the latest trends and innovations, we need intellectual assets: people 'create' the economy. Naturally, however talented you may be, education is essential to acquire professional skills, as the Academy of Management knows well, giving us the workforce of tomorrow.

**Do our educational programmes need updating or are traditional skills still relevant?**

*In my view, innovation builds on strong traditions, combining new knowledge (including global experience) with social and economic progress. It goes*

*without saying that we must move with the times, meeting the needs of our age. The Academy of Management's 'E-Government' is among such projects, acting as a pioneer within the Eurasian integration space. Russia is working similarly and we realise that it's an area worthy of attention.*

*Not long ago, Berlin hosted a seminar at which we and our EU partners demonstrated developments in the field of e-registration of businesses. Since enterprise is becoming more integrated, the process of registration needs to be international and easy to use. Belarus is making progress, ranked 9th worldwide for business registration by the UN. In my report, I men-*

*tioned that it takes just five days to register a business here (five procedures in all). On hearing this, my Swedish colleague asked how long it really tends to take and I was able to say just one day. Afterwards, a German representative said, without any irony, that they could learn from Belarus in this respect.*

*Optimising management is another important aspect, to achieve efficiency and reduce costs. We don't need to lose jobs for this to happen. In the IT sphere, the loss of two traditional jobs can bring the creation of five new. Our foreign colleagues agree that the development of e-government envisages the creation of new jobs.*

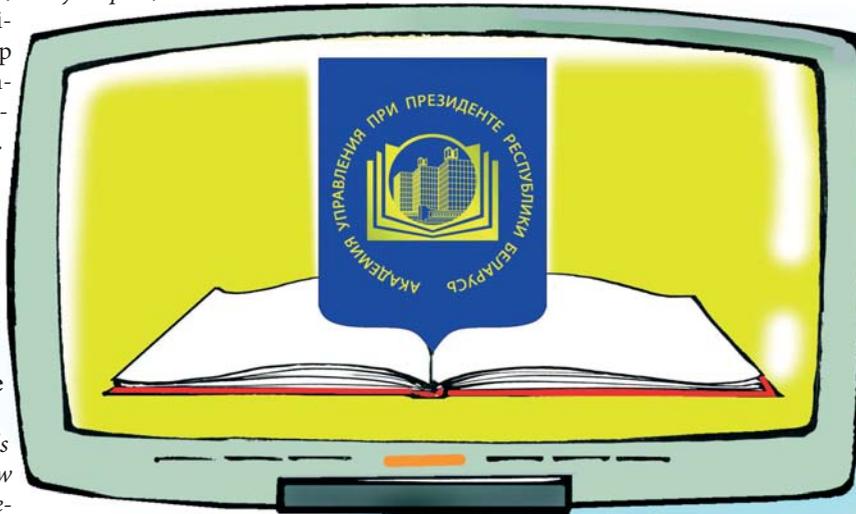
*We are keen*

*to create professional associations to take on some of the functions currently overseen by state management bodies. These associations would employ more staff, while state management bodies would pay fees to be members, reducing the number of state staff and increasing the number of professional workers.*

*For the economy to develop innovatively, we must train a new generation of state officials to be receptive to innovation. Innovative state programmes need to be combined with a formula of new educational technologies, academic mobility and hands on experience.*

**Clearly, results won't be immediate. What do staff lack do you think?**

*Primarily, professional communication in a foreign language is needed. If you can settle issues without a translator, decisions are made more quickly and mutual trust is promoted. With this in mind, the Academy offers several language courses, which enjoy great popularity. It's easier than ever to learn another language, with the help of IT. The most important aspects are motivation to learn and a true desire to succeed. Professional growth relies on people taking responsibility for their own development. Many further education programmes are available online these days.*



Optimising management efficiency by training public officials to support innovation

## Another opportunity to invest currency efficiently

**Financial instrument could attract foreign currency deposits**

Belarusbank is now offering Belarusian Finance Ministry bonds in US Dollars. The first and second issue have been launched simultaneously, worth \$50m. Bonds in the first issue cost \$200 while those in the second have a face value of \$1,000. The rate of return is fixed, standing at 7 percent per annum, with the first payment due on June 20th, 2013.

The issue aims to raise funds for the state budget: a form of borrowing widely used around the globe. Previously, such state bonds in foreign currencies were open to legal entities only; now, sales are open to all buyers.

The Finance Ministry confirms that the state guarantees the return of money, with bonds able to be presented at any branch of Belarusbank. They can also be transferred or given to other people as gifts, being unregistered.

## New fertilisers for spring sowing

By Vladimir Khromchenko

**Three new plants manufacturing compound fertilisers to be built in Belarus this year**

Belarus' Prime Minister, Mikhail Myasnikovich, recently visited Belaruskali JSC's latest compound fertiliser plant, which is currently under construction. "Today, we've made an important decision: in June 2013, we'll begin constructing three more such plants, with a capacity of 240,000 tonnes per year, to become operational by late 2014," he noted. This will raise production of complex compound fertilisers annually to around a million tonnes. According to the Head of the Belarusian Government, this should satisfy the domestic market and export supplies.

"It will bring higher prices and new markets to conquer: a vital element," noted the PM. "We need to break new ground, reaching new capacities, to expand our export potential." He added that the Chinese and Indian markets are not as welcoming as they were in 2011 but is hopeful of exporting large volumes. "We're now working on this issue with the Belarusian Potash Company," Mr. Myasnikovich emphasised.

The new plant should be complete by April, ready for the agricultural season. "Production will be in full swing by summer, enabling us and other countries to have fertilisers for autumn," stressed Mr. Myasnikovich. "Exports will bring the foreign revenue we lack."

# Competitiveness inspires speculation

Banking sector forecasts noticeable yet gradual fall in rates for 2013

By Vladimir Khromov

Many view lending and saving rates in Belarus as being too high — especially since most neighbouring states' rates are many times smaller. Accordingly, it seems likely that both rates will be reduced in 2013 — perhaps even in the first three months, as noted by the Chairman of Bank BelVEB Board, Pavel Kallaur. He notes that change will be gradual though. "It will rely on two factors: the National Bank's tough monetary-credit policy and a deficit-free budget," he explains.

At the moment, credit rates at Bank BelVEB (among the top five largest banks in Belarus) fluctuate around the refinancing rate plus 7-10



National Bank promotes strict credit policy

percent. The gap between the official refinancing rate and those mentioned in advertising is to be cut. "The fall could reach 1 to 3 interest points at some banks; others who have set rates artificially high by applying 15 percent on top of the refinancing rate

may see an even more rapid fall of 5-7 percent," adds Mr. Kallaur.

Speaking of the present situation regarding savings, he emphasises that no dramatic change will be observed immediately. "Exchange rate trends for 2013 are now being formed. Our

bank's plan for 2013 relies exclusively on macroeconomic figures from the National Bank and on the exchange rate forecast by the Finance Ministry (no more than Br8,950 per US dollar)," he asserts.

According to Mr. Kallaur, in 2013, financial establishments will be competing even more for client loyalty. "We're delighted that bank clients are becoming more discerning, especially since we've begun offering diverse new products. As regards consumer and housing loans, we offer a wide choice. In 2013, I think we'll see even better quality services being provided and quicker decisions from banks. Meanwhile, competition on the retail market will inspire banks to cut their interest rates."