

Mikhail Kovalev:

'It's not profitable to be 'dependent on a pipe'

Belarus can benefit much more from joining the Single Economic Space, if develop collaboration

By Yuri Chernyakevich

Not long ago, I visited Smolensk, delighting in viewing its monasteries' old frescoes and the gun-slots in the 17th century fortress wall. However, I was also initially surprised at not having had to cross a Belarusian-Russian border checkpoint. Walking through the city, I passed numerous Belarusian branded shops — such as Milavitsa, Bielita and Galanteya — and, several times during the day, I saw trucks advertising food produced by our Orsha and Volkovysk meat factories. Souvenir shops even offered Belarus-made linen towels and napkins. It really made me feel quite at home!

No doubt, Belarusian products have found recognition in neighbouring states — especially those belonging to the Single Economic Space and the Customs Union. Few would be surprised at finding Belarusian tractors in Novosibirsk and Omsk, or Kommunarka sweets in Nizhny

Tagil and Krasnoyarsk. You can buy Pinskdiv furniture across Kazakhstan while Amkodor loaders operate on Astana streets. Integration has brought economic benefits, as the Dean of the Belarusian State University's Economic Department, Prof. Mikhail Kovalev, emphasises. He tells us, "The Single Economic Space has long since seriously influenced the country's development. The integration union has enabled Belarus, Russia and Kazakhstan to better protect their markets against foreign imports, while expanding sales of their own produce."

The expert's words are proven by figures: turnover between Customs Union member-states is steadily growing, reaching an impressive \$70bn last year. Moreover, Belarus could benefit even more if it continues along this path. Clearly, strengthening liaisons between countries is vital; the Customs Union will bring benefit only if our three states' enterprises conduct

industrial and sci-tech co-operation. Many experts share this view, as does Mr. Kovalev, who notes that Belarus can and must join Russian oil processing on our common customs territory, since it will benefit all parties.

"Venezuela immediately realised that it would be better to sell oil products to Europe, rather than just oil," continues Mr. Kovalev. "It's far better to supply Venezuelan or Russian raw materials to Belarusian Mozyr for further processing, then sell the petrol to Europe. So far, Russia prefers to export crude oil and gas, while building oil and gas pipelines. Why not establish joint oil processing and petrochemical facilities on Belarusian territory, to allow export to Europe? It would be much more profitable than being dependent on the existing oil pipe."

Other promising projects exist, thanks to our Single Economic Space, which is creating favourable conditions for major injections into infrastructure: roads and the



Customs Union countries need to conduct production and sci-tech co-operation

transport-logistical network. Why should Lithuania and Poland (rather than Customs Union members) make money from shipping foreign cargoes between Russia, China and Europe?

At present, Belarus generates around \$3.5bn from its transport-logistical services but Mr. Kovalev is convinced that much more is possible. Export volumes need to be raised through establishing new logistical centres jointly with Russian and Kazakh businesses. The country would earn more foreign cur-

rency as a result.

Information technologies are another promising area for Customs Union members, who are keen to rival the present leaders in Singapore, Japan and South Korea. Why not set up a single Eurasian high-tech park in Belarus? Its produce would enjoy great demand in Europe.

"These and many other economically profitable projects should be realised, to enable Belarus, Russia and Kazakhstan to dynamically develop, joining the list of highly developed states enjoy-

ing competitiveness globally," Mr. Kovalev believes.

The recently established Single Economic Space has opened new prospects for the country. To promote produce, Belarusian enterprises are now using the preferences bestowed by our three-state coalition. Having visited Smolensk, I'm personally convinced that such co-operation should be strengthened further. The economic advantages of integration are in the hands of Russians, Belarusians and Kazakhs; this is at the heart of success.

Co-operation driven by mutual interest

Belarus ready to discuss expansion of Russian oil and gas supply

By Vladimir Khromov

On meeting the President of NK Rosneft JSC, Igor Sechin, and the President of NK RussNeft JSC, Mikhail Gutseriev, President Lukashenko notes that Belarus is ready to discuss expanding supplies of Russian oil and gas

According to Mr. Lukashenko, no obstacles exist in developing co-operation with these companies. He emphasised, "If terms are favourable, better than other companies are offering, we'll take a bigger volume of oil for processing. We have no problems at all. As for supplies of oil products, let's negotiate these issues together. You're aware of our oil refineries, which are unlikely to have any problems."

Mr. Lukashenko has proposed that the Russian enterprises join in

chemical industry ventures. "We have a good range of petrochemical products, alongside experience and traditions in the production of nitrogen fertilisers. You have 50bn cubic metres of gas which you don't sell overseas. I think, here, within the Union State, we could reach an agreement. You could have some 3bn cubic metres processed if we build a new plant. A site has already been prepared, so you could supply gas. We could agree on corporatisation of the plant and on exports, which would benefit us economically," said the Belarusian leader, adding that, if necessary, he is ready to discuss this topic with the Russian President.

"There are plenty of other projects too," stressed the Head of State. "We're ready to open the door for you. We want you to work here efficiently and, of course, lucratively.



No obstacle to expansion of oil and gas supplies

Importantly, we should enjoy slightly better terms than other companies. I think you'll be able to interest Belarus as you produce such large volumes of oil and gas. Moreover, major development projects are in the pipeline."

Mr. Sechin thanked the Belarusian President for his personal attention in the projects and noted that Rosneft is already working in

Belarus, supplying around half of the oil being processed at Belarusian oil refineries. "I absolutely confirm that the principles guiding us in our work with strategic Belarusian partners are trust, mutual respect and consideration of mutual interests. We are ready to fully share profits with our partners and create long-term projects," Mr. Sechin asserted.

Latest technology attracts investors

Belarus launches Creation of National Scientific Technological Park in the Sphere of Pharmaceutical, Nano- and Bio-Technologies: BelBioGrad project

The hi-tech park is to cover 167.3 hectares, located within the Chinese-Belarusian Industrial Park. It should attract \$8.55bn of foreign investments into Belarus and create over 37,000 new jobs.

Alongside BelBioGrad, other techno-parks are planned; 30 organisations registered last year as residents of techno-parks, with Br34bn allocated from the Republican budget for the development of infrastructure. Contracts signed with foreign partners are worth \$65m.