

# Quality is key to successful commodity promotion

Government undertakes obligations to lower warehouse stock at enterprises by next year

By Vasily Kharitonov

The theme was high on the agenda at a recent meeting led by the Head of State, devoted to industrial development, at which Mr. Lukashenko strongly criticised directors and branch managers for sluggishness in promoting commodities domestically and abroad.

The growth in stock is the result of our trading partners' slower development on markets and stronger competition within the Single Economic Space. Following Russia's joining of the WTO, the SES has been obliged to follow the same WTO principles. Of course, actions speak louder than words when it comes to business and Belarus needs to face the reality of the global situation to remain competitive. Where enterprises fail to show results, their managers need to take responsibility, as the President asserts. He noted, "You should not complain that Russia, our major partner, joined the WTO or that Europe and Russia were hit by the crisis. We had known about it long before, there is nothing new about it. It is ridiculous to say that we cannot compete with other countries on the Russian market".

As a vivid example, Mr. Lukashenko noted, "We've been gradually increasing our sales to the EU, which now accounts for almost the same volumes of Belarusian exports as Russia. The EU has long been a WTO member — being a 'trend setter' within the organisation. However, we've managed to gain a strong foothold



High quality of Atlant JSC's goods enables customers to be found quickly

there."

The President is keen to see focused discussions on how to solve the problem of overstocking. He emphasised, "We're increasing volumes and loading up our warehouses." Clearly, assessment is needed of physical volumes of unsold products and their value. Directors need to look at how and where they can sell their goods effectively, with Government assistance. PM Mikhail Myasnikov's report indicates that industrial sector firms and the largest enterprises are most

'at risk' but that steps are being taken. Time will tell how effective current measures prove to be.

The Chairman of the State Control Committee, Alexander Yakobson, believes that weak marketing is part of the problem, alongside an inability to adequately master new markets and look ahead. Old Soviet thinking prevails, with existing buyers the focus rather than seeking out new sources of revenue.

The President has ordered the Head of Government to prepare a clear

plan to liquidate stock; by September 1st, he wishes to see some results, with stocks returned to normal levels by 1st January 2014. Mr. Lukashenko has asked the Prime Minister several times whether this plan is realistic, to which the PM replies positively. The Head of State has addressed the same questions to ministers, concern heads and company directors, who all agree their readiness to produce results. The obligation is now a Presidential order, with monitoring in place and enterprise heads bearing re-

sponsibility for failure.

Mr. Lukashenko has ordered his Administration to clearly outline which Governmental officials are to personally supervise certain enterprises and has warned company heads against manipulating figures or documents; recent information indicates that faux contracts are being concluded, with loss-making discounts, while unsold machinery is being dispatched to foreign dealerships simply to move it out of warehouses. Such business is of no value. The National Bank has been or-

dered to track foreign currency revenue into Belarus.

The increasing debt portfolio is also alarming, indicating that some 'sales' remain unpaid for. The President stresses the importance of financial health for the economy and that quality is the way forward, to ensure competitiveness abroad. Investments can only be attracted into modernisation where production is viable, so every enterprise needs to prove its feasibility. The President has instructed all heads of companies to keep him regularly informed of progress.

Specialists and experts agree that measures need to be taken to enhance sales, with goods promoted effectively, including through such inducements as leasing and payment through instalments. Enhanced efficiency of Belarusian sales networks is vital, across all potential markets — including Venezuela, Bolivia, India and China, as well as Single Economic Space member states.

The Deputy Chairman of the Belarusian Scientific-Industrial Association, Georgy Grits, asserts that a decision needs to be made as to whether the focus is on launching campaigns to sell new produce or whether to concentrate on a greater volume of existing 'best sellers'. He stresses that a lack of marketing strategy and inflexibility result in full warehouses. Enterprises need to step away from production where no orders are in hand, using the instruments available to facilitate sales of warehouse stock.

## Advantages of joint project

### Final decision on Yamal-Europe-2 project expected in November

"Poland has confirmed its desire to buy an additional 15bn cubic metres of gas annually long-term. All these issues will be resolved, as I understand, in November," the Ambassador Extraordinary and Plenipotentiary of Russia to Belarus, H. E. Mr. Alexander Surikov, told reporters at a recent Minsk press conference. He also explained that a business plan and a feasibility study for the project will be

ready by November. Substantive consultations with Belarus will then begin.

Russian President Vladimir Putin has instructed Gazprom to revive the Yamal-Europe-2 gas pipeline project via Belarus, to ensure supply to Poland, Slovakia and Hungary and enhance the reliability of gas supply to Europe. Gazprom CEO Alexei Miller notes that a new gas pipeline through Belarus to Europe is being considered, with preliminary talks indicating that such a line could be opera-



More gas pumped into Europe through Belarus

tional by 2018-2019.

According to Mr. Surikov, co-operation between Belarus and Russia continues to grow — as statistics confirm. Since

the early 1990s, our turnover has risen dozens of times. "No such progress is seen with any other state but Belarus," the Ambassador stressed.

## Real time parameters used for automatisisation

By Igor Klebanov

### BelAZ dump truck to be equipped with Belarusian on-board computers

The Minsk Production Association of Computer Engineering Techniques is producing controllers for BelAZ trucks' on-board diagnostics, with the first blocks dispatched. General Director Alexander Panasyuk tells us that, until recently, foreign-made controllers were used in Belarusian machinery.

On-board computers can promptly collect information and track the state of a vehi-

cle — such as tyre tread, fuel consumption or oil levels.

The company also plans to realise a project for the State Border Committee, helping automatisisation; this is to involve China's Huawei Corporation. In addition, the company is keen to explore some other promising projects for domestic and foreign customers. "Almost 2,000 people are employed at the company, involved in production. Our organisation functions independently, without state support," adds Mr. Panasyuk with pride.