

Operating for the rise as a fact

The Director General of Minsk Sparkling Wines Plant, Leonid Kravchuk, is delighted by the results of the second round of the public IPO, having sold about 75,000 shares at a reported value of Br285,650 each (\$33 in equivalent) through the Belarusian Currency and Stock Exchange, over a period of just nine days

By Vladimir Vasiliev



Sparkling Wines Plant receives additional funds for production modernisation, from selling package of shares

It had been anticipated that sales would continue for at least two months but high demand has cleared 'the shelves'. In fact, it's been easier to sell shares in the company than its products! Over the first four months of this year, its pro-

file 'dipped' by more than 10 percent, leaving stocks unsold. In fact, it appears to be a global trend that sales of champagne and sparkling wine fall every 8-10 years. Analysts cannot agree on a reason but some

connect demand with the general economic mood and people's desire to celebrate.

Mr. Kravchuk does not agree or reject the idea but admits that demand for Belarusian sparkling wine is

seasonal, with peak sales during the winter months, especially for New Year and the Christmas holidays. He regrets that Belarusians are yet to drink sparkling wines through the year, as Europeans often do, having

a slightly different attitude to this drink. In Napoleon's famous phrase: 'In victory, you deserve Champagne, in defeat, you need it.' However, the enterprise is planning a marketing campaign to try and remedy the situ-

ation.

Mr. Kravchuk is confident that the funds raised through the IPO will cover a programme of modernisation, conducted until 2015. Meanwhile, the controlling stake in the enterprise (75.01 percent) remains in the hands of the state. Individuals now own 7.41 percent of the enterprise's assets, while legal entities have bought 17.58 percent.

Belgospishcheprom is to open another enterprise: Gomel Fat Factory. Alla Sokolovskaya, who heads the state owned firm, tells us, "The site is having a major upgrade. Its products are good and are in demand: vegetable oil, soap and mayonnaise. We've suggested an IPO for 2014." By then, the company will have completed a number of investment projects. It also wishes to study the successful IPO of Minsk Sparkling Wines Plant and the behaviour of the secondary market. Between the first and second stages of offering, only a few shares were sold in the enterprise but, of course, the number offered was small. Nevertheless, those sold last summer have already risen significantly in price.

Where does this road lead?

How to make our 'crossroads of Europe' comfortable, safe and enduring

By Egor Pimenov

"The quality of Belarusian roads is above all praise, being flat, with lanes clearly indicated, as if travelling on a lawn. You can hold your steering-wheel with two fingers," asserts Igor Lebedev, a deputy of the Russian State Duma, writing online. Belarusian drivers have an ambiguous attitude towards our roads however; according to opinion polls, only just over half are content with the state of our domestic roads, showing that some probably still require improvement. Of course, self-criticism is not our worst national feature.

According to Western researchers, Belarus is in 68th place for quality of highways, among 148 countries. Among former Soviet states, Belarusian roads are inferior only to those in Georgia, Uzbekistan and Turkmenistan. At the same time, we have notably superior roads to our Customs Union partners and to neighbouring Latvia, Lithuania, Poland and Ukraine.

It's obvious that a road can lead anywhere but its quality relies on money. "Certainly, all Belarusian



Vitebsk-Liozno highway

roads could rival those of Germany in quality," emphasises the Deputy Chairman of the Presidium of the National Academy of Sciences of Belarus, Sergey Chizhik. "However, do you know how much money would be

needed? Each kilometre of road costs about three million Dollars in Belarus!" In Germany, the figure is at least three times more. According to Belstroycentre, there are over 86,000km of roads in use across the nation, includ-

ing about 15,500km of main roads, used by most lorries and passenger cars. 'German modernisation' of even just our main roads would cost at least US\$140 billion — a tenth of the annual budget of the country.

In the West, the frequency of harsher winters has influenced the quality of local roads. In the small town of Niederrimmern, volunteers are being sought to sponsor road repairs. For 50 Euros you can have a pot-hole repaired, with your name placed nearby! Even Germany is feeling a tightening of the purse strings. "Our roads are bad not just because of a shortage of funds — as every country lacks enough money for such work. The question is how to spend funds rationally," stressed President Alexander Lukashenko in April, addressing the Belarusian people and the National Assembly. "The main cause of poor quality roads is slovenliness! This year, we'll put an end to it." Clearly, the road repair branch needs overhauling, using the latest technologies and innovative methods to ensure that repairs go the distance.

Software from the Apennines

By Victor Voronov

Minsk hosts business talks by Belarusian and Italian companies

Top managers and representatives of 17 Italian companies were taking part. Among them is Camardella, which represents Terra di Bari olive oil producers and is interested in the expansion of its sales market. Cooperativa Agricola Vallate, which produces, processes and sells fresh and processed fruits and vegetables,

is eager to establish ties with Belarusian companies, aiming to export to our country. Software enterprise DataManagement, which also services computers for private companies, cultural establishments and universities, hopes to find partners in Belarus, as do other firms. Belarusian-Italian trade-economic co-operation should be promoted by the forum, with promising business contacts made, expanding the possibilities for joint ventures.

Automobile dealers enjoy good business

By Ivan Antonov

Audi dealership being launched in Minsk's Uruchie suburb, to become among largest countrywide

According to Vladislav Turkin, Director General of Autosalon-AV, Audi is currently the most popular premium class car in Belarus, selling 850 new models last year; the figure

is expected to hit 900 in 2013. He tells us, "It's high time that we set up satellite dealerships selling and servicing cars."

The new dealership should open in June 2014, comprising a 17,000sq.m site. The footprint of the actual building is 6,000sq.m. Construction is estimated to cost \$7m, with a payback period of 5-6 years.