

Investors always value simple and clear laws in business

Alexander Lukashenko sees no need for further expansion of existing free economic zones, as announced during his visit to wood processing enterprises built by Lithuanian investors in Mogilev's Free Economic Zone

By Vasily Kharitonov

Investors are offered almost the same advantages and privileges in small towns as in free economic zones — both ensuring the creation of jobs and good levels of income.

"I consider there to be no need to do anything more, as we have enough workplaces. We need to think about generating profit while creating an enterprise and giving privileges," notes the President.

Economy Minister Nikolai Snopkov agrees, emphasising that the existing FEZ territories are yet to be fully utilised. The President added that a close eye will be kept on the situation and that new investors can be offered privileges and preferences on an individual basis. Mr. Lukashenko received reports on the activity of the free economic zones in Belarus and, in particular, that of Mogilev. For each Rouble spent on creating the necessary infrastructure, about 20 Roubles have already been received in external foreign investment. Of course, with time, these figures will rise considerably; by 2015, exported goods from Mogilev's FEZ should reach almost \$2bn in value.

Mr. Snopkov notes that free economic zones account for about 10 percent of total export revenue, with Mogilev FEZ providing about half of the region's export revenue. The Chairman of the Mogilev Regional Executive Committee, Piotr Rudnik, tells us that a number of major GDP generating enterprises are located at our FEZs but that the President intends for the practice to be gradually phased out. Mr. Lukashenko explains, "Let's agree that this five-year period will be the last for our state en-



Lithuanian capital enterprise Mebelain begins work within Mogilev Free Economic Zone

terprises, although not for foreign enterprises." He adds that he'll be looking closely at new enterprise heads who know that, from 2015, they'll be paying full taxation rates.

The Head of State emphasises that jobs are plentiful in Belarus, so there's no necessity to attract enterprises into FEZ schemes, with specific preferences. Mr. Lukashenko stresses, "We won't do this anymore; I've already deterred this process covertly. I don't consider it necessary to attract enterprises — even those with foreign investments." He admits that many Belarusian small towns require development and offer

conditions just as attractive as those seen at the free economic zones. "Moreover, our policy is compliant with arrangements made within the framework of the Single Economic Space," adds the President.

At the Mogilev FEZ, Mr. Lukashenko toured VMG Industry, which produces furniture, curved laminated wooden components and chipboard, selling to IKEA. He examined its manufacturing lines and workshops, noting that the enterprise is a good, competitive example of effective management. "I want others to look to you to see how to operate as a private enterprise. It's vital that

others achieve your level," he asserted. He added that a large holding involving this company may be formed in future, to ensure full utilisation of facilities. "Certainly, some preferences will be taken away but there will be a certain average level of payments into the budget," said the President.

Viktoras Adomaitis, Director General of CJSC Vakaru Medienos Grupe, has noted that the company is operating under optimum conditions and enjoys local authorities' constant support. "We don't feel like foreign investors; we feel as if we are at home," he emphasises.

Mr. Lukashenko visited another woodworking enterprise on the same day: IOOO Mebelain (with Lithuanian capital). It also manufactures cabinet veneer furniture from IKEA and has plans for independent access to the market in future. These two companies are connected technologically so the chipboard made by VMG Industry may be used by Mebelain for cabinet furniture manufacturing, at some future date.

The Ambassador of Lithuania to Belarus, H.E. Mr. Evaldas Ignatavičius, who was present at the meeting, praised these projects, noting that they pro-

vide a positive example to future Belarusian ventures involving Lithuanian investment. Mr. Lukashenko assured his guest, "The European Union reproaches us for having too much bureaucracy, saying that it is difficult to enter our market. Our governors and Minsk city mayor are promoting investment attraction so it's groundless criticism. On the contrary, they're glad to see decent investors. We deal with such already and have no desire to work with swindlers. Criticism that foreign investors cannot set up business in our country is groundless. You're welcome to come and work. However, we must note that we'll soon lack enough citizens to fill every new job opportunity."

Mr. Lukashenko rejected criticism from ill-wishers, who say that he aspires to boost his own power by keeping enterprises under state ownership. He notes, "It's total nonsense. I'll make an agreement with a private investor more readily than with a state enterprise, which has to check its budget every day."

The Ambassador of Lithuania noted growing inflow of Lithuanian investments into Belarus and emphasised that enterprises in Mogilev are the largest successful examples of investment co-operation between our two countries but not the only example. New interesting spheres of co-operation are opening up as a result of Lithuania's presidency of the European Union.

Mr. Lukashenko has invited the Lithuanian diplomat to extend his knowledge of various Belarusian industries, in search for new directions of mutually beneficial co-operation.

Without causing huge damages to earth

By Vladimir Kharchenko

Resolution of Co-operation for Transition to 'Green Economy' in the Context of Sustainable Development unanimously approved by General Committee on Economic Affairs, Science, Technology and Environment at OSCE Parliamentary Assembly

The adopted resolution aims to foster economic growth without putting pressure on the environment, promoting renewable energy sources, while embracing eco-friendly technologies and

manufacturing practices. It is part of the Istanbul Declaration, passed on July 3rd, at the final sitting of the annual session of the OSCE Parliamentary Assembly.

Belarus is promoting sustainable development at global and regional level, promoting a welfare economy and economical use of natural resources and the reduction of hazardous emissions.

The House of Representatives notes that, in 2012, the 22nd annual session of the OSCE PA, hosted by Istanbul, passed a resolution entitled *Promoting New*

and Renewable Sources of Energy, drafted by the Belarusian delegation. This expands the field of application from the previous resolution. Headed by the Deputy Chairman of the House of Representatives, Victor Guminsky, the Belarusian delegation included the Chairman of the Council of the Republic's Permanent Commission for International Affairs and National Security, Vladimir Senko, and a member of the Permanent Commission for International Affairs at the House of Representatives of Belarus, Valentina Leonenko.

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