

# Famous Belarusian brand is a free agent

## New potassium fertiliser export company set up in Belarus to ensure stability

By Artem Svetlov

In line with a Presidential decree, foreign sales of Belarusian potassium are to be supervised by a new structure: the Belarusian Potassium Company JSC. It differs from the previous trader in its form of ownership since, in the past, Soligorsk-mined fertilisers were sold by a closed joint stock company. It will have exclusive rights to export and,

importantly, will have no need to start the business anew. It will employ Belarusian specialists, while the well-known BKK brand should allow the use of established contacts, while mastering new sales markets.

“The decision is primarily based on Uralkali’s destructive position — as regards the operation of the Belarusian Potassium Company (BKK) as a closed joint stock company,”

explains Belaruskali’s General Director, Valery Kirienko. “During the registration of our new company, BKK CJSC will continue working and fulfilling its existing obligations, allowing Belarus to preserve its famous brand on the global market. This will also save time and allow us to build on our accumulated experience.”

Experts consider the establishment of a new trader to co-ordinate potash fertiliser

exports as a logical and reasonable move. Selling fertilisers is profitable for the state budget so a company is needed to represent Belaruskali’s interests abroad. “Belarus accounts for 22 percent of the global potassium market — enough to become a substantial and influential market player,” notes Georgy Grits, the Deputy Chairman of the Belarusian Scientific-Industrial Association. “However, this does not

mean that we need ‘to gather all our toys and move to another playpit’. The potassium market is consolidated, with only a few players, so it’s necessary to agree positions.” Mr. Grits tells us that Belarus is eager to operate a long term strategy, launching a new facility for compound fertiliser production, while achieving an agreement with Qatar on joint potassium mining and processing.

To help sell our raw materials on foreign markets and ensure Belaruskali’s stability, a Presidential decree envisages zero export customs duties on potassium fertilisers until the end of 2013. “The customs duty was introduced to withdraw super-profits from the company but the state has now decided to cut the tax burden, ensuring the company’s stable functioning under new conditions,” stresses Mr. Kirienko.

# Weighty and promising bid for bicycle brand

## Investors promise to produce models able to compete with well-known foreign brands

By Dmitry Fiodorov

Being a major cycling fan, I was eager to read the report on the President’s visit to Minsk OJSC Motovelo. My own bicycles predate the arrival of the new investor, so the AIST logo is not present on my own bike, or on those of my son or daughter — who both learned how to ride before they turned four.

However, it is possible that I’ll reconsider my preferences in future. The new models appear rather interesting, including an extremely lightweight carboxylic track model. This may not mean much to non-cyclists but true connoisseurs will be delighted. Impressively, AIST was accredited for participation in the Olympic Games in Beijing and London.

Today, this Belarusian brand is rapidly developing; its MINSK motorcycle sells across Russia, Kazakhstan, Kyrgyzstan and Tajikistan. It was used recently in a cross-country motorbike race to honour the 10th anniversary of the creation of the Collective Security Treaty Organisation. Visiting the factory, President Lukashenko chatted with those who took part in the race; they noted the reliability of the bikes over such a great distance. An enterprise making such beautiful and in-



Motovelo to launch new models which are sure to be in demand with buyers

novate motorbikes deserves success. However, it will take time to ‘balance the books.’

Some time ago, Minsk Motorcycle and Bicycle Plant seemed stuck in the mud. The arrival of Austrian holding ATEC saved the day. Alexander Muraviev, the Chairman of the Supervisory Council, decided to invest in glass plants in Yelizovo and Gomel

and then began looking at Motovelo, promising to invest no less than \$20 million. Sadly, only a small part of these funds have been spent on modernisation, with most being used to repay the plant’s debts. The management has come under some criticism for failing to invest more in innovation, as was certainly agreed in the contractual terms. Mr.

Lukashenko has tasked the enterprise with meeting its targets in this field, with close supervision from government officials.

One goal is to produce and sell 500,000 bicycles by 2020, but annual goals are also needed, so that progress can be monitored. Other enterprises with ATEC capital need to follow suit. Banking part-

ners bear some responsibility — in particular, Priorbank. All unresolved issues of co-operation between the investor and servicing banks should be settled promptly.

Serious conversations have been held with Motovelo, with the conclusions obvious: there’s not need to reinvent the wheel. Rather, hard work is essential.

## Goods find demand

**Belarus ranked second within CIS for investment bargains**

The Centre for Integration Studies of the Eurasian Development Bank has compiled its annual report: *Monitoring of Mutual CIS Investments-2013*. It states that, despite a relatively small volume of direct foreign investments in the region, Belarus occupies second place within the CIS for investment bargains. Commodity distribution networks for Belarusian goods and the development of service centres for our machinery have contributed greatly to this success.

Accumulated mutual direct foreign investments within the CIS and Georgia stand at almost \$54bn: up 32 percent within three years. The report states that FDI inside the Customs Union comprise \$22.7bn. Mutual investments within the Customs Union could rise significantly, since the combined GDP of Belarus, Kazakhstan and Russia amounts to 87 percent of that of the CIS total.

Russian companies dominate among CIS investors, having accounted for \$44.5bn of FDI in 2012. Kazakhstan is the second largest, accounting for \$5.61bn, followed by Ukraine (\$1.57bn), Azerbaijan (\$1.55bn) and Belarus.

## Electricity at lower price

**Expanded Clay Gravel Works in Novolukoml starts own gas piston plant**

The mini TPP will provide continuous power and heating (800 kW and 918 kW respectively) to the new Termocomfort complex, while reducing electricity costs, explains Georgy Lazarashvili, Deputy Director of the joint stock company. He notes, “The coefficient of efficiency at the plant is over 90 percent, so each kilowatt of electricity will be much cheaper.”

# Comfort — to European standards

Yuri Butrimovich

**First gas-engine bus made by Minsk Automobile Works takes to capital’s roads**

The new MAZ-203965 had its gas tanks fuelled in early September, at Gazprom Transgaz Belarus fuelling station, ready for launch onto the streets of the capital. Made by Minsk Automobile Works JSC with assistance from OJSC Gazprom Transgaz Belarus, the vehicle is

based on the MAZ-203 urban bus, already operating successfully across Belarus, Russia and other countries. Its ‘Mercedes’ gas engine is fuelled by European made gas cylinders and can travel up to 600km, depending on road conditions.

The new bus is soon to travel to Russia’s capital for presentation at the Moscow International Automobile Show; its standard procedure vehicle testing shows that it meets EURO EEV ecological standards.

The Minsk Automobile Works is now working on a new range of substitution diesel engine vehicles, even planning to produce dump trucks with gas-engines. Yuri Syrovkash, the Chief Bus Designer for MAZ JSC, tells us that demand for passenger vehicles with gas-engines is very high, especially in Russia. “Already, we have orders from dealers from Kazan for 200 such buses, while Samara dealers want to buy 140.” MAZ possesses the capacity

to build 50 buses per month, with demand now relying upon the development of infrastructure of using gas-engine fuel.

The state action plan to shift state and public transport towards gas-engine fuel began in Belarus in May, with a network of fuelling and service stations being created. Manufacture of vehicles and buses running on natural gas is underway, as is the production of special fuelling equipment for vehicles.