



More clients interested in new offer from Belarusbank

'Garant' deposit account is worthy compromise

It's a sad fact of life that it's hard to manage without a certain income. Those who can buy a car or house on a single salary are doing very well indeed. Even those of us who enjoy a healthy income need time to save for major purchases. The question is whether to hoard Euros and Dollars at home or whether to save with a bank. Belarusians can be reluctant to save in Belarusian Roubles, to the disappointment of the National Bank.

By Vladimir Samsonov

Explosive economic growth in the early 2000s inspired many of us to have greater faith in the national currency, with Belarusian Rouble deposits even exceeding those made in Dollars or Euros in 2008. The exchange rate was stable and rates paid on national currency deposits were much higher than on foreign currency savings. However, foreign currency market fluctuations weakened interest in the Belarusian Rouble, explains Belarusbank's Deputy Chair of the Board, Tatiana Mikhailovskaya. She tells us, "Of course, ideally, all our citizens would save in the national currency. Interest rates are extremely high, with loans becoming more expensive."

She admits that people are sensitive to financial market fluctuations, saying, "Most clients who change their Belarusian Roubles to foreign currency open foreign currency deposit accounts. As a result, the money is not leaving our banking system but simply changes form." Nevertheless, such never-ending deposit changes can unnerve the financial sector, since both our national currency and foreign currency are needed in order for the private sector to operate efficiently. Enterprises need to purchase foreign technologies and equipment (for which foreign financial organisations usually allocate loans) but it's unfeasible to allocate Dollar or Euro loans to pay for Belarusian-made construction materials. It's fine if a company boasts

stable export supplies but producers are unlikely to generate foreign currency if their manufacture is Belarus-oriented; in this case, they would need to buy foreign currency, creating an additional burden on the exchange rate.

Nervous depositors create another problem for bankers, since many prefer to have accounts where funds can be placed for a period from several weeks to 2-3 months. In most cases, such deposits continue on a rolling plan, since depositors don't withdraw their funds unless the market sees strong fluctuations. Of course, this approach is not correct from the point of view of classical banking marketing but reality dictates its own rules: if access terms are tightened, people will remove

deposits in Roubles and change them into foreign currency, to keep at home. Deposit accounts tend to be 'easy access' while loans last several years; accordingly, banks are ever searching for ways to preserve their liquidity (strongly overseen by the National Bank).

Such challenges have inspired Belarusbank to launch its new 'Garant' deposit account: apart from the usual interest rate, it offers additional rates fixed to the Belarusian Rouble-US Dollar exchange rate. Ms. Mikhailovskaya admits that it's truly an unusual approach in European practice but explains, "We've given it great consideration, looking at all possible risks. However, when the printed media began discussing a fall in Belarusian Rouble deposits (where profitability depends on exchange rate fluctuations), we decided to launch 'Garant.'" She notes that the new account is proving popular, with much interest even in the first days. Results won't be announced until at least six months have passed but the account could well come to rival Dollar savings.

Buses from Minsk — on streets of Baku

Belarus soon to increase its delivery of industrial goods to Azerbaijan market

By Andrey Fiodorov

This year, sales volumes of domestic industrial goods to to Azerbaijan have risen considerably — especially of vehicles, including tractors. Amkodor is expanding its presence across Azerbaijan explains Dmitry Katerinich, Belarus' Minister for Industry. He tells us, "I'm expecting

good results next year, as we've signed a contract for delivery of 300 MAZ car assembly sets in the first quarter and nearly 220 assembly sets for 'Belarus' tractors in the first half of the year. We'll begin manufacture and delivery of both, as well as supplying ready-made Amkodor vehicles."

Belarusian industrial enterprises are expected to raise

their supply of exports to Azerbaijan by around 50 percent, including assembly of Belarusian buses. Plans also feature the production of parts for MAZ machinery at the Sumgait Technologies Park. "We'll not only produce component parts for the MAZ enterprise based in Azerbaijan but will deliver them onwards to Belarus," notes Mr. Katerinich.



Buses from MAZ gain good reputation in Baku

Expensive purchases — only via bank transfer

By Sergey Smirnov

National Bank of Belarus may introduce limit on cash payments from next year

The National Bank has put forward an initiative to limit the volume of cash payments by individuals. Of course, legislation would need to be passed to make this possible, placing it within the statute of the National Bank, which is currently undergoing interdepartmental endorsement. "We hope that, in January, this norm will be accepted, formalised and submitted for execution," asserts Sergey Dubkov, the Deputy Chairman of the Board of the National Bank. Card payments may be limited to 1,500 base amounts (approximately \$16,000 at present — compared with about \$20,000 in Russia and \$18,000 in Ukraine).

Vitamin wealth of 'second bread'

By Sergey Ivanov

Scientists from National Academy of Sciences produce new variety of potatoes

Belarusian scientists continue to work on raising the nutritional value of potatoes, with less starch and a higher concentration of anti-oxidants (which increase our resistance to cancers), vitamins, minerals and protein. Selective work on producing potatoes of various colours is also underway, ranging from light pink to dark violet. Ivan Kolyadka, Deputy Director of the Research and Practical Centre, of the National Academy of Sciences, stresses that the flavour remains just as tasty and the potato varieties are suitable for both mashing and boiling for salads.

Prospects on foreign markets

By Vladimir Samsonov

Indonesia confirms its interest in purchasing Belarusian potash fertilisers and agricultural machinery

The Ambassador Extraordinary and Plenipotentiary of Belarus to Indonesia, Vladimir Lopato-Zagorsky, recently met the Indonesian Agriculture Minister, Suswono, to discuss the future development of mutually beneficial co-operation between Belarus and Indonesia in the field of agriculture.

This October, the Belarusian Potash Company exported over 400,000 tonnes of potassium chloride, including to South-East Asia. In particular, supplies were directed to Thailand, Sri Lanka, Bangladesh and Malaysia, generating around 30-35 thousand tonnes for each state.