

# Imperatives of time improve communication

The 21st century is being hailed as a time of integration, as Belarus is already realising. While bordering the European Union (which unites 27 states, with a population of over 500 million) and enjoying a GDP of around \$15tr, it is also taking part in major unification via the Eurasian Union — due to be operational by 2015.

Of course, integration comes not only through inter-state union, but through the liaisons of national economies and enterprises. International Monetary Fund research indicates that, over the past 150 years, the role of the state has risen 4.5 fold on average among the world's top 30 most developed countries. From 1870-1996, the share of state expenditure within GDP in the USA grew from 7.3 to 33.3 percent — despite apparent market self-regulation. The figure rose from 8.8 to 36.2 percent in Japan, from 10 to 49 percent in Germany, from 12.6 to 54.5 percent in France, and from 5.7 to 64.7 percent in Sweden.

Of course, anti-crisis injections into Western states' economies have strengthened the trend, which should help us understand many issues. It may explain why the former Soviet republics faced a sharp decline in production and standards of living after market reforms led to withdrawal of much state participation. Moreover, it's now clear why Belarus has taken the lead within the post-Soviet space since 1994 — strengthening the state's economic role and following the spirit of the times (though lacking its own natural resources). As regards the UN Human Development Index, our country continues to lead among CIS states.

In fact, the withdrawal of state support for the economy, following governmental orientation towards market liberalisation, hastened the arrival of the 2011 global crisis in Belarus, painfully affecting our citizens' wellbeing. With this in mind, Alexander Lukashenko announced to the Gov-

ernment and the National Bank in November 2011, "I'm seriously worried by the Government's excessive passion for market reform. Having stopped regulating prices and other economic processes, we've seen negative results and serious problems. To solve them, we need to take

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**Active integration takes place at large industrial enterprises level in Belarus**

tional efforts and set aside more funds. Despite the Government's vigorous measures to efficiently mobilise resources and overcome negative factors, I have simply observed discussion and speculation on the advantages of the liberal development model and of radical reform. Even the West is searching for ways to curb the power of the market, looking at nationalisation to strengthen state control and man-

age socio-economic processes."

A return to active state economic management helped ensure stabilisation in 2012.

Integration between enterprises is also active, with fast capital concentration and profits (under the control of huge corporations); this leads to market monopolies and lack of competitiveness. While transitional states have seen small and medium-sized businesses develop rapidly, companies with funds exceeding \$1bn in cumulative capital rose from a 49 to 83 percent share of those operational in the USA. Meanwhile, their joint profit rose from 52 to 86 percent of the total from 1970-2006.

Similar trends are being seen in other technologically developed countries, including in Belarus. We have managed to prevent market powers from destroying our major enterprises — as has happened in many neighbouring states — ensuring that we continue to earn foreign currency through the sale of tractors, buses, trucks, trolley buses and oil products.

Classical competitive-market ideology is now in the past, giving way to progressive integration, pushing us to nurture large industrial, food and energy companies and work towards integration within the post-Soviet space.

**By Valery Bainev —**

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## Time to decide

By Andrey Anikeev

**Italian investor planning several major projects in Belarus, including manufacture of devices for spray-painting Boeing and Airbus airplanes**

The Chairman of the State Science and Technology Committee, Igor Voitov, recently met a representative of Italy's Cimolai company to discuss the joint spray-paint production facility with Minsk Aircraft Repair Plant. A site beyond the city outskirts is likely to be chosen for the project.

The Italian company is also considering the production of seamless pipes at the Belarusian Steel Works; representatives have been to Zhlobin to assess the site. Cimolai would also like to set up a factory in Lida to produce steelworks; the National Academy of Sciences of Belarus may partner the project, having founded a zinc plating plant last year.

The Italian investor is also ready to construct inexpensive pools and other facilities in Belarus, including bridges and terminals. Carmelo Bottecchia, an engineer and commercial manager with Cimolai, emphasises that the company will soon decide upon specific projects, with steelworks production and construction projects among the most likely to be realised.

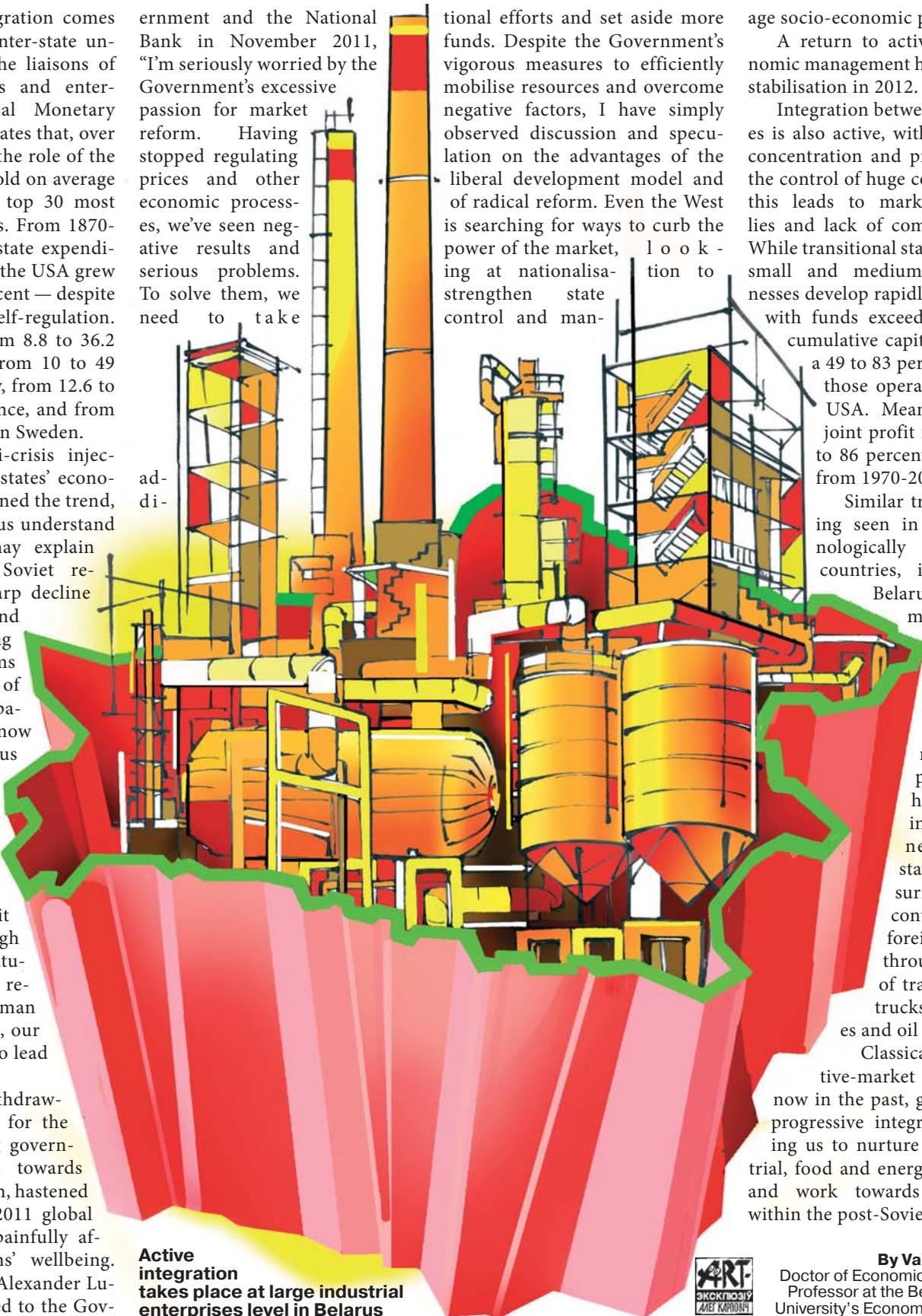
In late March, Belarus will host a forum on new technologies and investments, with about 40 Italian companies invited to participate.

## Launch scheduled for end of year

**Manufacture of Belarusian tractors in South-East Asia to begin in Cambodia**

The Industry Ministry of Belarus is supporting Minsk's Tractor Works in transferring 32m Cambodian Riels (about \$8,000) into the authorised capital of private joint company Belarus-Mekong Ltd. — established in Phnom Penh.

It is to be Belarus' first tractor assembly factory in the ASEAN region, with Cambodia offering unprecedented terms for Belarus: full exemption from duties and taxes. The assembly factory is expected to start operations by late 2013, with tractors being sold throughout the ASEAN region.



# Providing technology for Egyptian satellite

Belarusian special equipment to be installed in EgyptSat, scheduled for launch in 2014

By Andrey Ampilov

The Russian Rocket and Space Corporation, Energia, has asked Belarusian Peleng to make the electro-optical equipment for the satellite. Already, the enterprise has orders to the value of about \$135m: eight times more than the cost of the Belarusian spacecraft (\$16m). Peleng is also providing devices for sending and process-

ing space data from the satellite.

Egypt has launched its own satellites previously (initially using Ukrainian technology), but lacked powerful telescopes. The new device will be able to shoot with resolution almost to the metre (improving on the Belarusian satellite's 2.1m accuracy). The future Belarusian satellite, which will replace the BKA, may even achieve 0.5 metre resolution. Of



**Requirements to space equipment are especially high**

course, this raises the cost considerably, notes the Chief Engineer of Geoinformation Systems, at the

NAS of Belarus, Oleg Semenov. He explains, "Transition even to one metre resolution increases the

cost of the equipment more than four-fold."

The Belarusian satellite was launched on July 22nd, 2012, from the Baikonur cosmodrome in Kazakhstan, providing full coverage of the territory of Belarus from space. This provides not only for domestic needs but allows Belarus to sell data abroad, generating revenue. Azerbaijan and Venezuela are among those most keen.