

# Two foremost differences

## Certain limits to be introduced for large trading chains countrywide

By Maria Dorokhova

For the majority of people, shops are a part of their daily route from work. People go into a small shop, buy something they need and run home, passing the cool super and hypermarkets where the prices at times are lower, however the gain of personal time is incomparably more valuable. As for pensioners, who do not hurry, the major principle while choosing a supermarket nearby is convenience. Meanwhile shops, which are 'close to home', have been under the threat of disappearance, both practically and hypothetically, for years because of the activity of their chain 'brethren'. New laws on the state regulation of trade and public catering will dot all 'i's.

Perhaps, last year's restriction of the share of large trading chains became the most disputed and discussed theme in the field of retail trade. The representatives of the big chains considered the suggestion to reduce their share of their market in regions down to 20 percent to be unfairly low. Allegedly, such a proposal would hinder the development of the big companies and lead to the situation where modern formats of trade will not reach many residents of regions, while already existing stores will not be able to



Trading chains offer buyers many goods, but their monopolism alerts

offer big discounts because of the impossibility to increase direct deliveries from abroad of, for example, fruits or cereals. The data about the admissible 'concentration' in the markets of other countries were used as arguments. Thus, for example, in Russia the threshold value is 25 percent, and the authorities are going increase it further. In Europe and the USA, 80-90 percent of the market is under the authority of chain shops.

However, the Belarusian trading department did not

dare to follow this example in such a delicate, and to a certain extent, personal matter. It was decided to use the principle of 'do not harm' as the main tactic, having considered that with a 20 percent maximum, it will be possible to avoid monopolies, and to keep local, independent shop availability.

Though the assortment in small shops is smaller than in well-publicised chains, and at times they operate in an old fashioned manner, without the help of 'super-modern' programs and apps, they

have, nevertheless, products and goods for everyday living. In addition, the most important thing of all — everything is just a step away. If such a shop closes in a particular neighbourhood, the younger residents may not notice. However, for the pensioners, it is hard to go in the city centre, just to buy a loaf of bread.

The new legislation will also stir up local authorities, which should economically stimulate small shops and public catering, so that they may render services to veter-

ans, old people, the disabled and other needy citizens. "We want local authorities, local executive committees to create a preferential approach. Even to include a reduction of rental fees and certain taxes," said Belarus' Trade Deputy Minister, Irina Narkevich.

In order that competition between formats will be fair, the law on the state regulation of trade and public catering will forbid large players, in both trade public catering, to force a contracting party to refuse making

similar deals with other legal entities or suppliers, regardless of the 'size' of competitors. There will also be a restriction on the decrease of the selling price, to the extent that, even after application of mark-up, the cost of goods in a chain will be far from the minimum in the market. Besides, starting in the middle of summer, contracts on deliveries should not contain any 'sale or return' clauses.

From their side, state bodies should not interfere with the movement of goods from one region to another, restrict subjects of economic entities on their choice of contracting parties and suppliers or create discrimination conditions while choosing a place for location of stores.

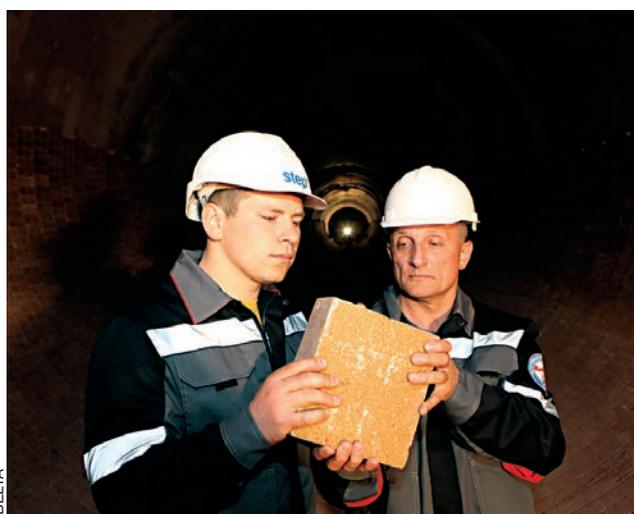
From the end of July, all trade and public catering parties will be obliged to have, and to observe, the product list of goods placed on a visible place for buyers. Soon it will not be co-ordinated with executive committees. The Ministry of Trade will develop the list of production which should be included in it, depending on the type and kind of trading store, presence of trading space and its size. This list will become obligatory. The law also allows for shops or cafes to have the right to sell the goods which are not included in their product list, provided that the conditions of their storage and sale are met.

## Dry process better than wet

### Russia's Eurocement ready to invest \$80m in project to upgrade cement production facilities in Belarus

By Andrey Fiodorov

Belarus' Architecture and Construction Ministry is currently negotiating with the Russian Eurocement Company on its involvement in modernisation of Belarusian cement plants. "The company may join the project to shift existing lines at Belarusian enterprises to the manufacture



In bake oven cement becomes 'dry'

of cement through dry-mix process. For this, Russians are ready to invest around \$70-80m," noted Belarus' Architecture and Construction Minister, Anatoly Cherny.

The Minister explained that the facilities should be upgraded by 2017. "Eurocement's participation in the project will be realised through either the establishment of a joint venture, or the release of an additional number of shares," added Mr. Cherny.

According to Mr. Cherny, the aggregate capacity of the Belarusian cement plants is currently 9.5m tonnes of ce-

ment per year, of which 5.4m tonnes are produced by new lines through the dry process. The Minister stressed that the wet process of cement production is energy consuming. For example, the production of 1 tonne of cement by the wet process costs \$89, as opposed to \$60 by the dry process.

Mr. Cherny also said that, at present, the treaty had been signed with Russian Eurocement on the guaranteed supply of 1.5m tonnes of Belarusian cement to Russia and 500,000 tonnes into free trade.

## Business partners decide to act together

### France-Belarus Business Club opens in Minsk

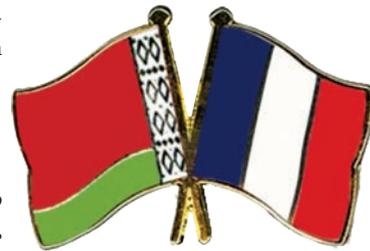
By Sergey Ivanov

The France-Belarus Business Club has become the first public organisation to unite businessmen from the two countries, while also acting as a venue to set up direct contacts between enterprises, aiming to promote Belarusian-French economic and investment co-operation.

"I'm convinced that our organisation will facilitate a trade-economic partnership between Belarus and France, since the idea to create the business club appeared as a result of numerous applications from French and Belarusian businessmen who wished to co-operate with each other. Now, the dream has come true," noted the Club's Head, Patrick Burdonne.

Also taking part in the event was the Ambassador

Extraordinary and Plenipotentiary of Belarus to France, Pavel Latushko, who noted that, in the future, Belarus and France plan to set up a joint Chamber of Commerce and Industry. Last year, Belarusian-French turnover was close to \$600m, 15



percent higher than in 2012. Nevertheless, according to Mr. Latushko, such a volume of trade doesn't fully meet the two countries' needs, hence this joint effort, aimed to activate economic collaboration.

Last year, Belarus presented its investment oppor-

tunities in Paris and in other French cities. "We're shifting towards another important instrument of tied expansion, the activation of inter-regional contacts," noted the Ambassador. The diplomat didn't exclude that, in the future, Belarus and France may establish an inter-government commission and a working group that will promote economic interaction between the two states. The initiative was proposed by the Belarusian side and was submitted to our French partners.

The opening of the France-Belarus Business Club was also attended by the Chairman of the Franco-Russian Chamber of Commerce and Industry, Pavel Shinsky, along with deputies of the French Parliament and a delegation of France's business circles.