

# Difficulties may arise but business is worthwhile

Belarus could become logistical centre of Eastern Europe



Belarus could become logistical centre of Eastern Europe, owing to its advantageous geographical position between the EU and Russia

By Andrey Sviridov

American economist Peter Young — a professor at San Francisco University — has told the First National TV Channel, “You are situated at the centre, with millions of consumers around you; it is an advantageous location for factories and I’d recommend Belarus as a logistics centre for Europe. It’s essential to transport more goods from the European Union to and from Russia via Belarus. The advantageous location of Belarus between the EU and Russia is perfect for setting up industrial facilities. The

country’s joining of a single customs zone with Russia and Kazakhstan is another attraction. The whole world is on the way to integration. However, it’s necessary to move further — to a free trade zone.”

Mr. Young assumes that Belarus may face challenges in changing its economic standards and that it may take a few years for efforts to yield results. “Investors need to feel confident of the value of the Rouble. We see the Government is dealing with this matter right now,” he notes. Energy prices are also of concern; according to Mr. Young, these should be strictly regu-

lated, as keeping them below global prices will make industry more attractive.

One of Belarus’ major advantages is its high level of education, with the American specialist mentioning those working in the spheres of production and IT. “Your tractors are known even in our country, offering value for money,” he asserts. Mr. Young believes that Belarus can successfully invest in its heavy industry. He hails from Silicon Valley in Northern California, so well understands the personnel potential of Belarus. “Over the past three years, I’ve submitted more orders to

Belarusian specialists than to anyone else, as your companies employ the best specialists and project managers. It’s greatly advantageous to produce programmes in your country.”

Mr. Young also spoke about privatisation in Belarus. “I’m not sure that Russia is the best example for you. China — with its planned privatisation — may be a better option,” he stresses, adding that it’s better to keep a 50:50 ratio regarding privatisation, with clear rules delineated. “Private ownership is always more efficient than state ownership,” Mr. Young emphasises.

## Time to train IT industry staff

By Yevgenia Krotova

**IT Academy to be established at Belarus’ High-Tech Park by late 2011**

The Director of the HTP Administration, Valery Tsepka, explains, “The project of establishing an IT Academy — or a new educational centre — is to be completed by January 1st, 2012.” It will enhance the HTP’s training of IT industry staff. Simultaneously, a business incubator is being set up — ready by next summer; here, young programmers will be able to implement their most promising business projects.

Mr. Tsepka adds that the High-Tech Park is to be extended, “Previously, our building plans were implemented by a single major investor. However, we now have several, enabling us to build the Park more quickly. Funds are forthcoming from the HTP Administration, our two resident companies, the Minsk City Executive Committee and a foreign firm.”

The High-Tech Park was established five years ago with a view to creating favourable conditions for improving the competitiveness of Belarusian economic branches, using new, high-tech innovations. Today, 94 resident companies work at the Park, realising projects in banking, telecommunications, oil, gas and other spheres, including the creation of a CIS e-government. Exports of HTP software have been growing steadily since 2005, standing at around 80 percent at present. Among the HTP customers are companies from 45 countries.

## Innovative projects boast great potential



Development of laser technologies is among joint Belarusian-Lithuanian projects

By Tatiana Chumakova

**Belarusian and Lithuanian physicists plan to jointly enter EU’s 7th Framework Programme for Research and Technological Development**

At present, projects are being realised by Belarusian and Lithuanian physicists, financed independently on each side. “We’ve set a new task — to fund innovative projects by attracting investments from third parties (including the EU), while jointly

entering the 7th Framework Programme for Research and Technological Development,” explains the Director of the Belarusian National Academy of Sciences’ Physics Institute, Vladimir Kabanov.

For over three decades, scientists from the Institute have been collaborating with specialists from the Lithuanian Academy of Sciences’ Centre of Physical Sciences and Technologies, the Vilnius University and other Lithuanian scientific establishments. “We now operate within seven joint projects

dealing with laser and laser-optical technologies and the application of lasers in medicine, ecology and other spheres,” notes Mr. Kabanov. He stresses that the project regarding studies of semiconductor systems has been successful (realised jointly with the Vilnius University).

Minsk recently hosted the 19th Belarusian-Lithuanian seminar — *Lasers and Optical Nonlinearity* — gathering 25 employees from Lithuanian scientific establishments, in addition to 50 Belarusian participants.

## No need to squander assets

**Milk branch attracts investors with global brands**

Belarus’ Agriculture and Food Minister, Mikhail Rusy, has told journalists that foreign companies are showing huge interest in co-operating with the dairy processing branch. “Profitability in this sphere is high — reaching 20 percent at some enterprises,” he stresses. Belarus is ready to partner foreign investors, while taking into consideration national interests. “We welcome and are interested in those with globally acknowledged brands, who are ready to invest. They’ll

receive a share of assets and profit in return. We don’t just want them to sell to the Russian market, but to the EU and third countries. We’ll find our way in Russia independently,” Mr. Rusy adds.

Belarus is now negotiating joint dairy-related projects with French Danone, Finnish Galaktika and Dutch Campina. Danone, in particular, is interested in purchasing milk processing factories in Shklov and Pruzhany. “Following existing agreements, this company is to participate in constructing a milk plant to produce a wide range of dairy products, in-

cluding yoghurts. Investment will reach 24m Euros,” explains Mr. Rusy. Danone is sending a delegation this summer, to discuss terms. Belarus is negotiating a loan from the European Bank for Reconstruction and Development, for the processing branch.

Speaking of the possibility of privatising dairy companies, the Minister notes that such plans are being considered. “An individual decision should be made regarding each company and each package of assets. I believe we should preserve state ownership of the controlling share,” he stresses.

## Fragility of goods doesn’t restrain sales

**Dobrush Chinaware Factory expands export supplies**

Over the first four months of the year, the enterprise’s exports exceeded \$3m — up 13 percent on the same period of the previous year.

Dobrush’s chinaware enjoys stable demand on the markets of Russia, Ukraine,

Kazakhstan, Azerbaijan and other CIS states. According to a Russian specialised Internet portal, Dobrush Chinaware Factory is among the top ten most popular brands.

The company also receives big orders from domestic consumers. Stores of ready-made goods at warehouses account for just 20 percent



Painting on chinaware

of monthly production, although these figures may be 2.5-fold higher according to normative standards.