

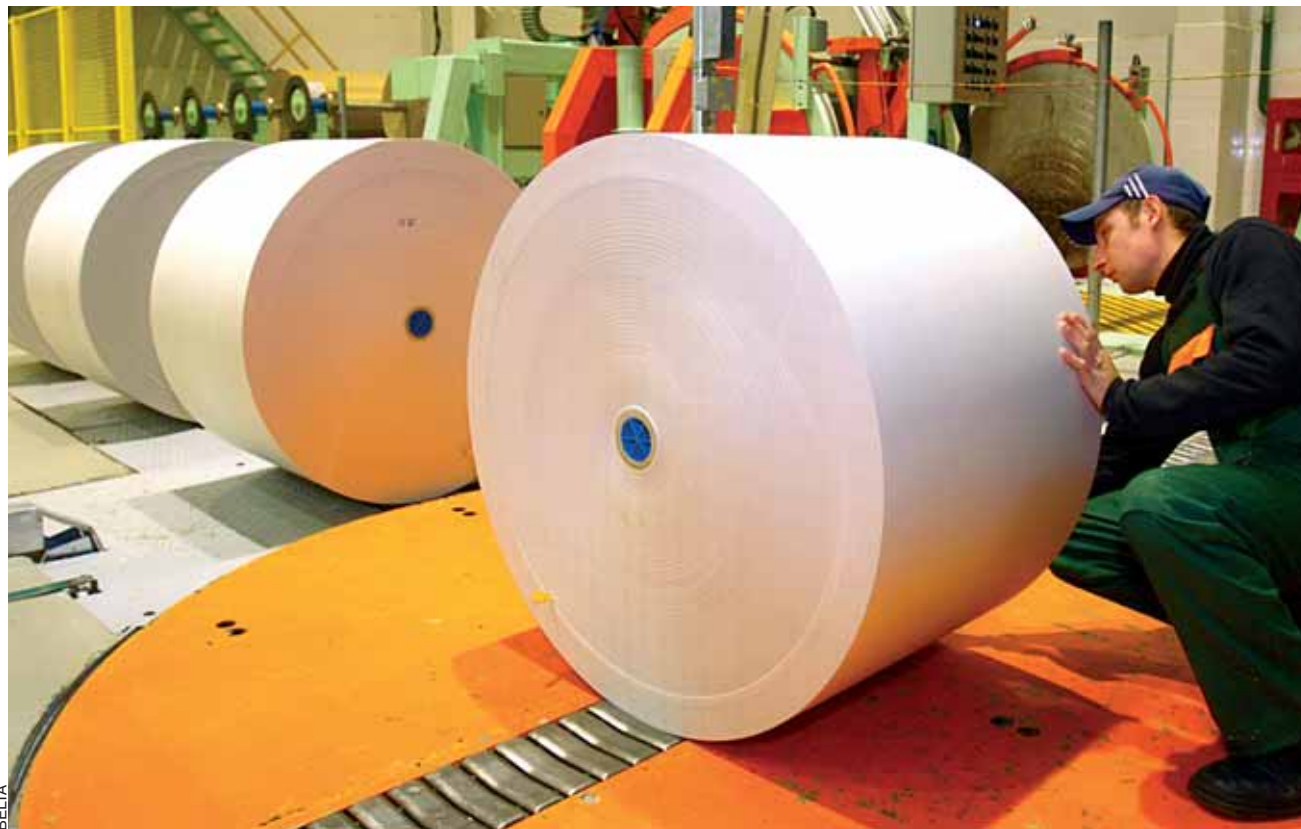
Business plan for specific enterprise and programme of action in broader sense

Alexander Lukashenko visits Newsprint Mill at Shklov, sincerely sharing his views on various political and social issues, as well as economic problems, chatting with journalists

By Igor Slavinsky

In 2003, the President was shown an empty construction site; since then, he has personally visited the enterprise many times, holding meetings and signing documents. Probably, for the first time in many years, Mr. Lukashenko was not dealing with problems on this visit; rather, he was speaking of prospects for development. In particular, he chatted about expansion, with a new facility planned for the site. Shklov's Newsprint Mill is unusual in using only domestic materials, since Belarus boasts many forests. It then manufactures paper, sewn lumber and, even, timber houses. Accordingly, its production doesn't actually require imported resources. Its manufactures are in demand abroad, bringing in a steady supply of foreign currency. Perhaps, if more such enterprises operated in the country, Belarus would have not face such a negative trade balance and our foreign currency crisis wouldn't have occurred...

Mr. Lukashenko did not go into detail regarding those he holds responsible for the Shklov plant only recently achieving its capacity, allowing it to finally turn a profit. He only stressed, "We've lost precious time..." The plant's present financial figures inspire optimism, as production is growing by 20 percent annually. "We fully satisfy our domestic newsprint market, while exporting a third of our produce," notes the



Shklov's Newsprint Mill exports a third of its produce

First Deputy Prime Minister, Vladimir Semashko, who has overseen the project from the very start. Moreover, the company boasts a positive foreign trade balance: about \$2.5m.

The market situation is quite favourable for the Newsprint Mill. Back in February, Belarusian and Russian paper prices were about equal; now, Shklov has no rival. Its facility is selling paper at half the price — due to the sharp decline in the Rouble exchange rate, rather than less labour efficiency at the plant. Speaking of the company's pricing policy,

Mr. Lukashenko noted, "Everything should be sold at a single price in Belarus and Russia. As a last resort, a discount might be granted to state run newspapers — as these are state companies in which we've injected money."

The President spoke not only of newsprint prices. After visiting the Shklov Newsprint Mill, he answered journalists' questions.

On EU's demand 'to free political prisoners'

If those in the European Union want take the convicts

under the cause of December 19th to themselves, then we'll put them all in a single wagon tomorrow and send them to the EU. I'll make the corresponding decision; I have a right to make it. However, I have no intention of bargaining with anyone. There's no need for us at all to exchange these people in order to negotiate with the EU.

On 'silent actions'

A small number of people — who hover around squares — want to take advantage of the moment. They understand perfectly well that we'll

be emerging more from this economic situation and the current panic daily. We are already overcoming it. In just three months' time, people will have forgotten that some prices rose and other problems emerged.

On large scale celebrations against the background of the economic crisis

While I'm President, we'll spend money on celebrating our Independence Day and the 'Slavonic Bazaar'. People wish not only to have bread but,

sometimes, entertainment. It's good that the parade featured tanks and motorised vehicles. As regards the 'Slavonic Bazaar', we're recognised worldwide for it. Almost all of its events pay for themselves these days. However, we've almost halved the sum of allocated funds for hosting other festivals.

On the stoppage of Russian electricity supplies

Really, we've run into debt. However, partners — let alone those in brotherly or allied relations — do not behave in such a fashion; they are acting indecently towards Belarus. It's wrong to act this way.

On 'politics' in Belarusian-Russian relations

Russia is entering a stage of the acutest politics, so we need to view their actions calmly. In the political sense, Russia is not homogeneous: there is much difference there.

On new gas prices

We'd like to hope that this year has seen the highest prices. We're still negotiating, so it's too early to sum up the results, but the Government has been set the task of agreeing a lower gas price than currently observed with the Russians. Even the Russians proceed from the fact that oil prices — and, accordingly, natural gas prices — should fall on the global market.

Enterprising people ready to be first to benefit from Customs Union

Last July, an Astana meeting defined that Belarus, Russia and Kazakhstan would conduct a co-ordinated macroeconomic policy, creating a single state for duties once the Customs Union comes in force

Representatives of Belarus, Russia and Kazakhstan agreed common principles for regulating the activity of natural monopoly subjects, in addition to rules governing industrial subsidies and state support for agriculture, to ensure a 'fair and level playing field'. In addition, common principles were agreed to regulate intellectual property protection, and on conditions for financial markets, to ensure free movement of capital and co-ordinated principles of currency policy.

Of course, at the initial stages

of the Customs Union's existence, our countries faced a range of difficulties. In particular, significant changes were rapidly implemented to legislation, necessitating quick adaptation to new conditions. Enterprises had to think on their feet. For example, in Belarus, customs bodies accompanied foreign trade operations 'manually' for some time, simultaneously teaching new rules to businesses.

In reality, the Customs Union is a serious impetus for businessmen to promote mutual trade. Customs barriers have been lifted, while no additional expense has been imposed on customs operations. All products produced domestically move within the three states duty free. Volumes of trade between Russia, Kazakhstan and Belarus have

grown 25 percent in just one year.

Specialists stress that the Customs Union's GDP now exceeds \$2 trillion. By 2015, a total integration effect will reach supposedly \$400bn, aided by a single transport, energy and information space. Our national economies are to unite as a single complex, able to co-ordinate socio-economic development, while creating a single structural, innovative, foreign economic and social policy.

A recent innovation implemented within the Customs Union's framework is the abolishment of customs borders between members, launched on July 1st, 2011. Cargoes travelling from one country to the next won't be subject to customs procedures, so all control will shift to external borders.

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