

‘Integration’ corrections in settlements for blue fuel supplies

Union State Council of Ministers session debates complicated topic of gas pricing, among other issues

Analysts are still guessing at what has inspired Russian PM Vladimir Putin's goodwill gesture. Referring to his consultations with Dmitry Medvedev, he proposed to introduce an 'integration decreasing coefficient' to the gas pricing formula for Belarus in 2012. Many are convinced that this is not a present; Belarus aims to become an example for Ukraine (it has been long weighing the pros and cons of joining the Customs Union).

The Russian Prime Minister confirms that this is not a gift. Russian companies are expanding their presence on the Belarusian market, so such concessions are possible. The complex situation facing Belarus has objective reasons: ever growing energy prices which have led to Belarus' negative trade balance in our two states' mutual turnover. To remedy the situation, Belarus' Prime Minister, Mikhail Myasnikov, believes that we should

increase the Republic's share in Russia's imports by 2 percent.

"Over the first six months of 2011, increasing energy prices led to Russia raising its positive trade balance with Belarus by almost \$1.58bn, reaching \$5bn. Over the past six years, this sum — \$50bn — equals Belarus' annual GDP," explains Mr. Myasnikov. He stresses that Belarusian-Russian companies can lift this imbalance and has asked 'businessmen and scientists' to study the issue.

During the Moscow meeting, journalists tried to learn about the prime ministers' views on the Union State. "In some avenues of integration, the Union State is evidently ahead of the Customs Union and the Single Economic Space, since the latter integration associations do not focus on social issues. Meanwhile, some matters are borne within the Union State and are further realised as part of the Customs Union," Mr. Putin notes.

"The experience of Belarusian-Russian integration should be taken into account in forming legislation for the Single Economic Space and in developing the Eurasian Economic Union's declaration. We should have this document ready by the end of this year," adds Mr. Myasnikov.

He adds that we must shift from trade co-operation to co-ordinated industrial politics — both within the Union State and the Customs Union. Serious steps are already being taken in this direction, with new companies supplementing 2,000 Belarusian enterprises using Russian capital. Recently, Russian Gidromashservice bought a package of shares in Bobruisk Machine Building Plant. This Belarusian company is now the CIS' largest producer of equipment for oil processing, and the petro-chemical, ore mining and metallurgical branches. No doubt, similar projects should increase in number.



Gas pumped into Beltransgas JSC's Mozyr storage

Direct foreign investments expected to follow credits

Belarus and China sign investment contract to build Lebyazhy residential suburb in Minsk

Belarus' Deputy Prime Minister, Anatoly Tozik, notes that it's the first major Belarusian-Chinese investment project to involve foreign direct investments. "We're shifting to a new level of co-operation with China, with credits and direct investments combined," he says. The investment project is due to be accomplished by 2016, costing approximately \$200-250m (in FDI). In all, 33 residential buildings are to be constructed in the Lebyazhy suburb, with the total area exceeding 180,000 square metres. Flats shall be offered for public sale in the future. Minsk City Executive Committee Chairman Nikolai Ladutko remarks, "We're satisfied with the signing of this agreement."

The new residential suburb will be able to house almost 20,000 people. The Chinese are to build homes for 10,000, using their own designs and following Chinese cultural traditions. Investment money will be arriving



Work lies ahead after agreement is signed

from Chinese banks.

According to Mr. Ladutko, considerable preparations preceded the signing of the agreement. "Solutions have been found to all issues. Technical, organisational, economic and financial matters have been settled. A major step in the development of direct relations between Belarus and China has been made. This isn't a contract for a trade credit; it envisages the attraction of direct Chinese investments into the Belarusian

economy," he explains.

The construction of a BUCC administrative-exhibition office in Lebyazhy is already underway — to house the company's administration and to include a hotel initially hosting visiting specialists (and later for public use). Built by Chinese specialists, using Belarusian construction materials, the homes should be ready for sale in 2012, with flats being cheaper than the average in Minsk (a condition of the project).

Geologists survey 'black gold' at new depths

Over ten new oil deposits may be discovered in Belarus

Kosmoaerogeology has studied the Turov Depression, in the south of the country, believing that about ten new oil deposits could be found in Belarus. Their future prospects are yet to be studied. "It's impossible to say whether these deposits are large but we'll know more by late 2012,"

explains the research officer at Kosmoaerogeology, Tatiana Gridina. "Oil is deposited deep in the ground, so geologists need to conduct surveys. We are now searching for the most appropriate structure and conditions."

Scientists say that over ten oil deposits are to be found in the Turov Depression, with reserves matching those already in existence.

Michelin expands its partner trade network

By Anna Kotovskaya

Famous company launches first professional truck tyre centre in Belarus, as part of its Tyreplus partnership programme

"Creating a partner network of Tyreplus truck tyre centres in Belarus is Michelin's strategy, aimed at providing quality tyre services to motorists," explains the Head of the Truck Tyres Division of Michelin (Eastern Europe), Fausto Casetta. "With the opening of a world-class truck tyre centre in Belarus, local freight companies will enjoy high quality services

from the world's major tyre manufacturer. By providing a professional service, Michelin seeks to contribute to the success of its customers and help them become more efficient."

As part of Michelin's business development strategy in Eastern Europe, it will be expanding its commercial presence in Belarus, developing a partner network of Tyreplus professional tyre centres countrywide. Over the past eighteen months, a new truck tyre centre has opened in Minsk, becoming the fourth to date (joining another in Minsk and two in Vitebsk).