

Business model on rating positions

Belarus plans to ascend in international ratings

By Alexander Barkovsky

International ratings became a serious stone in the foundation of Belarusian economic policy several years ago. Since then, the country's legislation has been guided with international institutions' rankings in mind. It may seem unreasonable to conduct reform with the aim of receiving a certain reaction from foreign financial organisations but every country behaves in the same manner. Moreover, assessments can help Belarus decide how to avoid future mistakes.

In fact, the Belarusian business model has its own advantages, which are gaining recognition. Over the past three years, our country has made a serious breakthrough in the *Doing Business* Report (conducted by the World Bank and the International Finance Corporation to assess the in-

vestment and business climate), shifting from 115th position (in 2008) to 58th (in 2010). Moreover, last year, Belarus was placed third regarding the aggregate effect of the liberalisation of business conditions. In the crisis year of 2008, the Government faced the problem of an unfavourable investment climate but approached this with sporting fervour. Its goal is to place the country among the top thirty — a mission being accomplished via economic liberalisation.

Not long ago, an interesting situation occurred: Belarusian mass media reported that the country had been accepted into the 2011-2012 *Global Competitiveness Index*, prepared by the World Economic Forum (WEF). However, it later became clear that the 27th position was occupied by the United Arab Emirates; Belarus did not even appear



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in the rankings. "We are not yet participating. However, it would be incorrect to assert that we're far from taking part," notes the Deputy Head of the Economy Ministry's Main Department for Macroeconomic Analysis and Forecasting, Svetlana Ivanova. She explains that Belarus is already actively liaising with the WEF to ensure the necessary conditions for joining the authoritative ranking system are met. "A special document is being planned jointly with the National Bank, to include not only issues of joining but the country's advancement within the system. A draft is currently being studied by the Government," she adds.

The Global Competitiveness Index is often compared with *Doing Business*; the documents even share similar positions. However, the WEF rating is considered to be more comprehensive, using a greater number of variables. According to the Economy Ministry, the WEF is actively participating in preparing a survey in Belarus. "*The Global Competitiveness Index* sets a country's position primarily by questioning company heads (70 percent); the remainder is guided by statistical figures," explain Ministry staff. This is the reason for Belarus' failure to gain a ranking for 2011; the country is yet to prepare a base for the collection of Belaru-

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sian businesses' views. Organisational and methodological difficulties exist.

Scientists from the Economy Ministry's Scientific-Research Economic Institute are to oversee this collection of information. Last year, the establishment underwent reformation, to include regional centres. Each region of the country now has Institute representation, which will conduct polling locally.

It's important for Belarus to take part in global ratings, despite the fact that each has its own limitations. Ratings have their own system of parameters, applying their own system of criteria. The Economy Ministry believes that ratings are

important and necessary, since they shape the global view of our state's position.

Good rankings could help Belarusian enterprises in accessing the capital market, making it easier to find loans at profitable interest rates (since investors can be confident of the state's good reputation). Ratings also indicate progress over a certain period of time. As the Deputy Head of the Economy Ministry's Macroeconomic Policy Department, Marina Vasilevskaya, notes, each country's detailed characteristics are also mentioned, creating a mini report. "It's always interesting to compare Belarus with other countries," she admits.

Simurg extends its reach into Finnish market

Vitebsk-based medical company to ship its first consignment of medical products to this Scandinavian country

By Sergey Klyuev

Medicines of the first (safest) category are to be sold by Simurg to Finland, with preparations are now underway to create a contract with the Finnish partner. The Vitebsk company is keen to gain a firm foothold on the Finnish market — expanding the range and geography of its sales to the EU.

Currently, about 60 percent of Simurg's medical goods comply with EU directives on security

and quality, having the CE mark. In order to gain certification for 2nd and 3rd category (of highest potential risk) drugs, the company is preparing for ISO 13485 certification by the EU's authorised body. This specialised standard for medical products will allow Simurg to mark all its manufactures, boosting exports to Western Europe. Previously, the company has shipped small consignments to Poland, the Czech Republic, Hungary, Romania and Cyprus.

In 2011, Simurg joined the

Turkmen market with two gynaecological products and has now completed registration of eight products in Kazakhstan and one in Uzbekistan. Simurg has also gained a firm foothold within the CIS, enjoying a reputation as a firm producing European level products, which boosts sales. From January-August, Simurg's exports grew by 30 percent against the same period of last year, with output rising 25 percent. Around 70 percent of its manufactures are sold abroad.



At Simurg company

On show in Hanover for second time

Minsk Tractor Works (MTZ) to participate in major exhibition for agricultural machinery and equipment — *Agritechnica-2011* — in November

It's hoped that Belarusian machinery will attract significant interest among foreign agricultural machinery specialists. Eight 'Belarus' tractors are being sent to Hanover, including 'Belarus-3522' — the plant's most powerful tractor to date, which is perfect for transportation and heavy moving in the construction branch and the industry.

MTZ enterprises are to join German Belimpex Handels GmbH in preparing machinery for the show, with some models dispatched to Germany with the paperwork to allow onward sale.

Hanover hosts the *Agritechnica* fair every two years, gathering leading manufacturers of agricultural machinery and equipment. The Minsk plant previously took part in 2009, demonstrating its 'Belarus-3023' innovative electric tractor which was awarded a silver medal by the show's organiser: the German Agricultural Society (DLG).

Communal waste to generate profit

By Oksana Shikunova

Austrian STRABAG Umwelanlagen GmbH to build plant to produce biogas from liquid communal waste in Minsk

"Our Austrian partners are to construct a facility in the capital,

similar to that in the Brest Region," explains the First Deputy Chairman of the Minsk City Executive Committee, Igor Vasiliev. The decree 'On implementing the *Installation of Biogas Units at Minsk's Treatment Facilities* project and the establishment of a joint exploitation venture' is in

the pipeline; the draft has been studied by ministries and other governmental agencies, with financial issues finalised.

Mr. Vasiliev tells us that the Minsk City Executive Committee has signed a letter of intent with Czech ECOCLEAN ENERGY a.s. regarding an investment project

to build a waste treatment plant in Minsk. This would be able to annually process 50,000 tonnes of solid communal waste. ECO ECE has been set up to realise the project and a designer has been chosen, with the company holding talks with Czech banks regarding financing.