

# Rouble deposits start ruling the day

Bankers openly admit that, for the past few months, foreign deposits have prevailed at Belarusian banks. Back in spring, a Dollar rush began, with many depositors transferring Rouble savings into what they saw as more secure currencies.

By Boris Annenkov

However, Belarusians have drastically changed their minds on learning of the National Bank's plans to raise the refinancing rate in stages. On average, interest rates on Rouble deposits now stand at 40-44 percent per annum — and are expected to rise further after the recent increase of the refinancing rate to 35 percent. Belarusian banks are now calculating the terms for their new proposals.

Meanwhile, the average

rate on foreign currency deposits is far less alluring, at just 9-10 percent per annum. Most bankers note that there are no plans to raise it in the near future; rather, it's more likely that it will fall.

"With regards to the devaluation process, the share of foreign currency deposits with our bank was growing, even outstripping Rouble savings at one point. However, from September to early October, the structure of deposits began to change. The proportions are now almost

equal," asserts Belarusbank's Deputy Chairman, Ilya Shalanki. The sudden change in depositors' preferences is based on the Rouble savings rate being much higher. People are pragmatic, calculating which form of saving is most profitable.

Of course, there is a less pleasant side, as rates for bank loans are now very expensive, leading to a falling number of those taking out credit. However, it's too early to speak of loans disappearing utterly; as Belarusbank states, citizens

are still applying for consumer loans while mortgages remain the most popular form of borrowing.

Banking circles have many times announced that, in the near future, interest rates for newly allocated credits could fall. The act will be one of generosity: banks need to patch the holes in their assets. Naturally, they make money from the difference of rate between savings and loans, as well as for their cash management services. No drastic fall in interest rates for loans is

expected, but banks may use marketing strategies to attract clients.

Of course, Belarusians are now most worried about how to pay off existing loans — as commercial banks have begun raising interest rates on existing agreements. The impact on borrowers could be significant. "We are consciously refraining from this step, since people took out loans with us under a different economic condition. Salaries also differed, so people assessed their financial solvency using other

parameters," Mr. Shalanki explains. He adds that foreign currency loans have become the only exception, since the terms of agreement matter little; the sharp rise in the cost of Dollars and Euros has made loans in this currency too expensive for borrowers.

The National Bank is studying the situation closely, having recently recommended the transfer of foreign currency credits into Rouble credits. This is expected to lessen the burden regarding currency rate fluctuations.



Belarusbank consultant, Gelena Yakoltsevich, always ready to inform clients on Rouble deposits' advantages

## Minsk trolley buses headed to service Chisinau streets

Belkommunmash and Chisinau city authorities sign agreement to jointly assemble Belarusian trolley buses in Moldova

By Andrey Gusinsky

Chisinau is expected to start assembling Belarusian trolley buses next spring, using Belkommunmash machine sets — as stipulated by an agreement signed by the General Director of Belkommunmash, Vladimir Korol, and the Mayor of Chisinau, Dorin Chirtoaca. They met at the 13th session of the inter-governmental Moldovan-Belarusian commission on trade and economic co-operation.

At a press conference following the session, Mr. Chirtoaca said that investments into the joint assembly of Belkommunmash trolley buses in Chisinau are estimated to reach 4-5m Euros. The money will be provided by Chisinau's Mayoral Office and the Chisinau City Elec-

tric Transport Department.

Mr. Chirtoaca also noted that vehicles are to be assembled at an upgraded trolley bus repair facility, which will be later re-organised as a factory. The first new Belkommunmash trolley bus will be launched in June 2012 and, by the end of next year, about 30 vehicles will have been assembled.

Moldova plans to manufacture up to 50 trolley buses a year, as it needs 150-200 to renew its transport fleet. Chisinau-assembled vehicles will also be sold to Moldova's two largest cities using electric transport: Tiraspol and Balti. Moldova, given its trade preferences with the EU, will also be promoting modern vehicles to European markets.

As Mr. Korol noted, trol-



Belarusian trolley buses shall soon appear in Chisinau

ley buses will be initially assembled with Belarusian machine sets and compo-

ponents, with production perhaps shifting to local parts in future.

## Partners confirm status with action

By Olga Belyavskaya

**Kazakhstan keen to privatise Belarusian enterprises, while Moldova opens new Belarusian facilities on its territory**

The possibilities of attracting Kazakhstani businesses into the privatisation of Belarusian state assets has been discussed at a bilateral meeting between the Belarusian Head of Government and the Prime Minister of Kazakhstan, Karim Massimov, hosted by St. Petersburg.

"Kazakhstan has expressed its willingness so, shortly, we'll prepare relevant proposals regarding taking part in privatisation tenders in Belarus," explains Mikhail Myasnikovich. He notes that co-operation in this field with our Customs Union partner country is essential for Belarus, "We should enjoy common commercial, industrial and financial capital in order for the Single Economic Space to operate efficiently."

The sides also reviewed mechanisms regarding Customs Union Commission and collegium decisions, discussing how best to implement them, with the degree of involvement by relevant national authorities clearly defined, explained the Prime Minister. "Kazakhstan, at the level of the Prime Minister, supports our initiative to allow documents on Customs Union collegium to be signed in early November, by our Heads of State," he emphasises.

In St. Petersburg, Mr. Myasnikovich also held talks with the Prime Minister of Moldova, Vladimir Filat, agreeing upon the opening of new Belarusian facilities to produce agricultural and other machinery in Moldova and to improve trade in wine materials, fruit and vegetables. Co-operation in the agro-industrial complex has been agreed. It is expected that the Prime Minister of Moldova will visit Belarus in the near future to assess the realisation of these plans.