

# Balance is a priority

How will Belarus' shift to a single currency exchange rate influence the economy?

By Anatoly Romanovsky

The exchange rate's multiplicity is now in the past. The National Bank hopes that, in future, the Belarusian Rouble will gain strength, allowing inflation to slow down.

## Will inflation fall five-fold?

Since early 2011, the national currency has been devalued by almost 190 percent (under the official exchange rate). Naturally, this has affected the prices. However, it's hoped that the situation may improve. "In 2012, inflation may be held at 20 percent," notes the Chair of the National Bank's Board, Nadezhda Yermakova. To achieve this, the National Bank and the Government need to restrict loans while encouraging the public to deposit rising salaries and pensions with banks and to spend income on retail turnover, rather than 'stirring up' inflation and 'untwisting' the exchange rate. Ms. Yermakova believes that consumer prices will be signifi-

cantly determined by our domestic enterprises' activity.

## Banknotes undergo reconsideration

The considerable rise in prices has inspired reconsideration of banknotes, with the National Bank suggesting that prices be rounded to the nearest Br50 (ending in Br50 or Br100). This would allow the gradual withdrawal of Br10 and Br20 denominations.

"Small amounts are too expensive for us to produce," explains Ms. Yermakova. "We pay more for their printing, protection and transportation than they're worth. A Br200,000 banknote has already been ordered and we hope to see it in circulation in early 2012." None are planned for this year but, in 2012, as Ms. Yermakova assumes, it's quite possible that we'll be using new notes.

## Margin of strength

In future, the National Bank's official exchange rate will float, being daily determined by Bela-



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rusian Currency and Stock Exchange trade. However, according to Ms. Yermakova, the National Bank plans to prevent sharp fluctuations by using national gold

and currency reserves. By the end of the year, the latter will have been replenished by another \$4bn (\$2.5bn generated from the sale of Beltransgas shares to Gazprom

plus almost \$1.5bn of loans).

The public can help by selling foreign currency to the banks; in the past month alone, \$386m more was sold to banks than bought.

# Belarusbank cards useful for Internet payments

## Belarusbank has finished certifying its 3D-Secure technology with the Visa and MasterCard payment systems

Accordingly, it won't be long before Belarusbank cards will be ready for making online payments



Belarusbank has become a leader on the market of plastic cards in Belarus

in Belarus and abroad — as long as no restrictions are in place regarding the operation of the card itself.

"3D-Secure technology is the most contemporary way to ensure security of payments when using bank cards on the Internet. It enables clients to feel confident that funds in their accounts won't disappear," explains Anatoly Bogovik, Director of Belarusbank's Plastic Card Processing Centre.

Moreover, Belarusbank allows trade and service enterprises to accept online payment; it has already concluded 46 such agreements.

Belarusbank began issuing plastic cards in 1994 and, by 2001, had become a fully-fledged member of the Visa and MasterCard international payment systems, as well as the BelCard national payment system. Today, Belarusbank leads the domestic market for plastic cards in Belarus, accounting for over half of all cards issued: as of October 1st, these numbered 4,900,000.

# Australian merino sheep's fine wool worthy of winter wear

Alexander Chernukho

## High quality Australian wool returns to Belarus

In the late 1980s, buying Australian wool conferred a certain prestige; Slonim's Worsted and Spinning Factory regularly purchased Australia's merino wool (a fine-

wool of extremely high quality). By the early 1990s, such imports had ceased but the Slonim factory was recently visited by the Chairman of the Board of the Australian Wool Innovation Limited, Walter B. Merriman, who is keen to reinstate trade. Negotiations with the heads of the Slonim enterprise

and Pinsk's Polesie have led to an agreement to renew supplies of Australian wool to Belarus.

"We've been purchasing Uruguayan wool," notes Polesie's supply department. "Now, we'll also use Australian wool — to produce luxe winter knitwear: jackets and polo-neck sweaters."

# MAZ producing new buses



MAZ school bus will be liked by schoolchildren

By Lilia Krapivina

## Minsk's Automobile Works manufactures school mini-bus, with EURO-4 engine produced by Minsk's Motor Works

The bus has been especially created for transporting children, meeting all safety standards. It's a distinctive bright yellow, while bearing the word 'school' on its side, and

is equipped with safety belts, alongside hand-rails and luggage racks for school bags. Moreover, it can travel at no more than 60kmh.

In November 2011, trial tests will end, allowing mass production to begin next year. Orders have already arrived from Russia and other CIS states. However, the first model will remain in Belarus, being donated to the Education Ministry.

# These birds don't hide their heads in the sand

## Ostrich farm in village of Kozishche, in Kobrin District, is largest in Belarus and among greatest in CIS

The farm belongs to the joint Belarusian-Polish company: PM i Kompania (PM and Company). Its ten hectares are home to about

500 ostriches, each about 2.5 high and weighing 150kg. The birds live for about 70 years, laying eggs for 35-40 years. The farm is open daily to visitors, who can view the birds in their enclosures. The on-site café offers dishes made from ostrich meat and eggs.