

Not boom yet, but buoyancy

In 2010, Belarus' advertising market generated \$100m, showing that producers now rely on more than their reputation for quality to ensure sales; money spent on advertising is steadily growing

By Monika Kedrova

After a small delay, Belarusian industrialists are realising that advertising is their path to preserving a market niche. Moreover, retail outlets are ready to take on a share of these costs. Last year, advertising budgets of the trade rose by 40 percent. Jointly with manufacturing enterprises, retailers conducted about 20,000 advertising campaigns.

"State policy aims to stimulate manufacturers to promote their products via advertising," explains the Head of the Department for the Control of Advertising and Protection of Consumer Rights at the Trade Ministry, Irina Baryshnikova. She adds that the advertising market's present development leaves

much to be desired, while national legislation continues to be improved. "We've prepared a draft law, amending the Law on Advertising to prevent misrepresentation to the public by unscrupulous advertisers," explains Ms. Baryshnikova.

Interestingly, last year, specialists from the Trade Ministry detected many cases of unfair use of advertising, which provoked the infringement of consumers' rights. Additionally, bankers received attention for failing to indicate the full interest rates due on loans during TV and radio advertisements, and on billboards. If these amendments to the Law on Advertising are adopted, banking officials will be obliged to give full disclosure of terms.

Companies involved in

promoting concert tours should also expect changes, with names of foreign stars and their compositions to be written in foreign languages, without the current need for translation into Russian. "We aim to create more acceptable conditions for advertising, without infringing the rights of consumers or advertisers," notes Ms. Baryshnikova.

The domestic advertising market is demonstrating measurable growth, reaching \$100m last year (up 12 percent on 2009). Two years ago, the market entered the crisis with this figure, so it has clearly overcome economic difficulties. "We avoided a major advertising dip, unlike Russia and Ukraine; here, advertising revenue fell by about 20 percent, against 30 and 50 percent in Russia and



Advertising market development tackles informative part of advertisements

Ukraine respectively. Financial advertising and that of property suffered greatly in these neighbouring states but such advertising was never a significant element of the Belarusian advertising market. Outside advertisements

and those placed in the mass media dropped in Russia and Ukraine yet remained buoyant in Belarus. I think that we'll maintain our 10-12 percent pace of market growth throughout 2011," believes SMG Holding's Director, Pi-

otr Popelushko. The Trade Ministry is also optimistic about the future. "The state is interested in establishing conditions to liberalise the advertising market and ensure growth," says Ms. Baryshnikova.

Plenty of social housing needed

This year, Minsk will be constructing two commercial apartment houses, to be available for rent

By Alexander Pospelov

The idea has been considered for several years, with Belarus' Deputy Prime Minister, Anatoly Kalinin, finally deciding that the flats should appear by late 2011. "During the first stage, we plan to build 250 flats," explains Alexander Gorval, the Head of the Architecture and Construction Ministry's Housing Construction Department. "Those choosing to take part in the build will receive loans at privileged terms, repaying the money via rental payments. Some support mechanisms from the state may also appear for dwellers. In Europe, subsidies are given to low-income families: if you earn less than a certain level, you receive a discount, and if you earn more, you pay the whole price."

It's yet to be announced how much this housing will cost but officials agree that the price should be attractive and lower than that usually paid for a rental flat. However, the project must not be loss-making for the state; one month is likely to



Rental houses for future cost around \$200.

It is also yet to be determined who may settle in the first 250 flats. It seems that the housing will be primarily available to civil servants, doctors and teachers, to encourage them to remain in the employ of the state, explains the Chairman of Minsk's City Executive Committee, Nikolai Ladutko.

In future, when the commercial apartment buildings are all ready, the rental prices should fall. However, to achieve this, there should be plenty of social housing.

Clear plans already outlined

By Anna Kotova

Ground-work for Belarusian nuclear power station to start in late summer

"We'll begin construction of the nuclear power station this year," explained

Belarus' First Deputy Prime Minister, Vladimir Semashko, at a session of the State Committee for Standardisation's (Gosstandart) Department for Energy Efficiency. "The preparatory period is almost over and a document has been signed

to begin ground-work in late August-early September." He added that, by 2016, the first block will be ready, with the second block to be finished by 2018.

Mr. Semashko stressed the significance of the hydro-energy sphere in Be-

larus. By 2020, thirteen hydro-electric stations will have been built on the Zapadnaya Dvina, Nieman and Dnieper rivers. Meanwhile, a special programme has been approved to set up 161 mini-power stations using local fuels.

Trees usually grow with time

Country has no deficiency of timber

By Daria Minina

Last year was rather complex for the forest industry; the weather and market situation tested its strength but neither storms nor fire could hamper its profitability. The industry generated three times more revenue than in 2009, while profitability rose by almost a half (to reach 18 percent).

On average, each forestry in the country exported \$1.1m of products last year, with revenue from selling timber up 1.8 times on 2009. According to the Forestry Ministry, Belarusian timber and wood products enjoyed greatest popularity in Poland, Germany and Lithuania, with sales to another 19 CIS and non-CIS states; about 2m cubic metres were sold. The range of products in demand may soon change abroad, with seeds, planting stock and frozen berries likely to enjoy popularity.

However, the Forestry

Ministry advises forestries not to focus on such timber exports but to develop tourism, inviting foreigners for forest hiking and eco-themed trips. Last year, our hunting companies achieved self-sufficiency of funds for the first time, even making enough money to pay into the public purse.

The Forestry Minister, Mikhail Amelyanovich, explains that demand for wood is growing globally, so Belarusian forestries are increasing their stock volumes. In the coming five years, the Ministry plans to substitute 'traditional' manual labour with machinery, buying 1,400 various units of multi-operational machinery. By late 2015, at least 70 percent of all domestic felling will be mechanised.

Meanwhile, forests need protection. The UN has declared 2011 to be the International Year of Forests. According to the Forestry Ministry, last year, the death of trees



Professional mastery polished at forestries

rose by almost 60 percent, to total over 11,000 hectares. The reasons were unfavourable weather conditions, primarily storms, which crippled at least 10,000 hectares — 2.5 times more than in 2009.

"By 2015, our newly operational wood processing plants and pulp and paper mill will be able to process more timber, giving us a shortfall of over a million cu-

bic metres," says Mr. Amelyanovich. He believes this is no great problem though as, in the past decade, over 10m cubic metres of woodland has been underused and could be used to replenish stocks. In five years' time, stocks will grow by another million cubic metres and, by 2020, the situation will stabilise. New factories will certainly have enough raw materials.