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No volunteers to participate in Belarusian privatisation

No investment offers came in to the open tender to sell majority stakeholdings of three Belarusian enterprises, designated for 18 August. This indicates that the Belarusian government still cannot enlist foreign investors on a wider scale.

Holding open tenders for privatisation was one of the conditions laid down by the International Monetary Fund as part of last year's programme for a stand-by support loan of US$3.5bn. Despite accepting these obligations, the Belarusian government is dragging out their implementation, and it was only this August that three medium-size enterprises from the chemical and metal industries were put up for sale (it has been announced that two more firms will be put up for sale at the end of September). This was originally intended to be a pilot project introducing international privatisation standards into Belarus. However, in the opinion of independent Belarusian experts, the offers made were not attractive for any potential investors. The companies put up for tender require significant investments, and their sale was additionally dependent on maintaining their current levels of employment and production profiles for the next few years. The Belarusian government has thus proved once again that, despite numerous declarations and limited liberalisation, it is still not ready to make real improvements to the investment climate in Belarus. <kam>