

Digital or electronic cash, digital money, disintermediation, electronic checks, electronic wallet, extranet, micropayments.

The huge growth of virtual communities-people getting together in interest groups online-promises to shift the balance of economic power from the manufacturer to the consumer. These virtual communities are already making their presence felt.

Virtual communities erode the marketing and sales advantages of large companies. A small company with a better product and better customer service can use these communities to challenge larger competitors-something it probably couldn't do in the real world.

Rest assured, there is a bright future for e-commerce. Once the details of online commerce are worked out, it and the Internet in general could reshape the structure of the business world.

*Зантович А.А.
ФЭФ, 2 курс, ФКВД-1
руководитель Сыантович Е.Л.*

BELARUS ECONOMY

When our republic became independent in 1991 it was one of the richest countries in CIS. We had well developed industry. It's share in the GNP made the Republic of Belarus one of the most industrialized countries in the world. Our agriculture was not only dependent on heavy equipment but on the import of fuel and fertilizers. Belorussian enterprises had a privileged access to raw materials, inputs and markets of the USSR and countries of Eastern Europe. As a result, the Republic of Belarus became one of the most trade-dependent countries. And that's why the Republic suffered so much when it lost this privileged status. Economic problems caused by the USSR collapse were worsened by policy targeted at softening and delay of the transition to the market economy. The politicians should have encouraged the enterprises to produce more competitive goods but instead the government was trying to save the former level of living and employment by emission and credit expansion. But the attempt to create some kind of third system of development that would combine the best features of market and command systems has failed.

Now the Republic of Belarus is in a deep economic turmoil. Though the official statistics show that we have some mysterious growth in the

last few years, now it is obvious that the quantity of unprofitable enterprises increases and budget incomes lowered significantly. Paying for trade deficit became impossible. Now one can be certain that a quarter of the population lives below the level of poverty. In the two years the situation became worse because of the Russian crisis in 1998 and the government's interference with the currency market instead of carrying out structural reforms. Now we have an open hyperinflation, enterprises working for the warehouses, substantial hidden unemployment and one of the lowest levels of living imaginable.

Nevertheless the Republic of Belarus has an outstanding potential for recovery. We have a highly educated population, disciplined labour force, the country is directly close not only to traditional Russian and Ukrainian markets but to rich European markets as well.

*Рабко Д.
ФЭФ, 1 курс, ДФФ-1
руководители Шаврук С.В., Карпекина Т.А.*

EURO: THE ESTIMATION OF CURRENT CONDITION AND PERSPECTIVES FOR THE FUTURE DEVELOPMENT

The euro is the single currency of the European Monetary Union which is adopted by 11 Member States from the 1st of January 1999. While the notes and coins aren't introduced, euro is available for non-cash transactions only. By making the euro a single European currency, European Union is aiming to decrease converting losses, to increase prosperity in Europe and to pose a strong challenge to the dollar's dominance as an international reserve currency. Also, euro's adoption is aimed to create a parity of the dollar and yen, which would quicken the transition to a New Economy by creating a giant market for capital, goods, and services encompassing the U.S., the European Union, and Japan. A strong single currency would boost the integration processes of Europe. Now it's possible to analyze the first year of euro's existence as a currency. The report is aimed to trace the euro throughout the 1999 and the beginning of 2000, to analyze the reasons why the euro's status was changing from «a credible, stable and strong currency» in the beginning of the 1999, to the «weak and tumbling to record lows» a year later. Euro lost more than 15% of its value against the dollar since it was launched in 1999. Analysts' opinions on this question differ