

Local Enterprises Are the Main Competitors of Belarusian Manufacturers

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Alexey Karpov, director of the Belarusian "Mogilev Silicate Products Plant" owned by the company "Mogilvsky KSI", gave an interview to journalists which revealed the nature of capitalist competition between manufacturers in Belarus.

When asked about their main competitors, Alexey Karpov said:

The competition in the construction materials market is enormous. If we talk about manufacturers of silicate brick, in Belarus alone, there are five major plants with production capacities that are three times larger than the brick consumption volume in the country. Hence, our focus is on exports: on average, we export 70 percent of our production and keep 30 percent for the domestic market.

The director also shared the following information about exports:

The Russian Federation market has always been a traditional one for us. Today, all the production that used to go to countries now closed to us is also successfully being shipped to Russia. The export share in the current year has not decreased; it has increased in volume. The reason is that the markets that were closed to us were more profitable, whereas the price for our product on the Russian market is lower than in the European market. So, we're shipping more products.

Recently, the people of Belarus celebrated their national holiday, the Day of People's Unity. Contradicting this, the organization of the economy is far from unified. Enterprises from within the same industry who should, in principle, be cooperating, are nothing but competitors. As a consequence, they actively undermine each other in the marketplace. This is because the ideal outcome for each enterprise is to outcompete and buy out competitors to form an ultra-profitable monopoly. When the economy is ruled by competing corporations, bent on destroying each other, all talk of national unity is a farce.

Another question was raised by Karpov's commentary, as to how profit levels were maintained despite being forced to sell at a lower price. The position held by the company, "Mogilev KSI", in European markets was highly advantageous, allowing them to sell at higher prices than they are able to now in Russia.

If the price of sale were the only thing that changed, profits would have to have gone down. However, considering the director's statement about increased shipments to recuperate losses, it is clear that there is a missing factor. How could losses be recuperated by flooding even more products into the market? Alone, this would result in lower prices, as more demand can be fulfilled.

The only way this could result in profits being maintained is if the workers were working harder to produce more products for the same wage. How does this result in higher profits? It is simple. The worker is being paid a similar wage as he was before, but is forced to work harder. This results in higher profitability despite selling at lower prices.

This is the nature of capitalist competition. Companies are forced to extract more labor for less pay to stay profitable, leaving the worker exhausted and poor. This state of affairs will persist as long as the capitalist mode of production exists. This problem can only be overcome by progressing to the socialist mode of production, which eliminates the system of economic competition.

Source: BelTA - "Mogilev Silicate Products Plant Doubles Brick Exports" dated October 10, 2023.

Original article