

NEWSLETTER 31/01-07/02/08

Alexander Lukashenka met with "the future president of Russia" Dmitry Medvedev and the Russian Prime-minister Viktor Zubkov in Sochi on February 3, 2008. On the same day, Lukashenka had an informal talk with V. Putin at the Russian president's "Bocharov ruchei" mansion-house.

A range of Russian-Belarusian contacts since the turn of 2007 till the beginning of 2008 is treated by some political analysts as crucially important. It should be emphasized that the cost of Russian natural gas for Belarus has been determined for the first quarter of 2008 only. Surprisingly, no annual contracts were signed. It means, Belarus lost the main tool for bargaining with the Kremlin as for the favourable terms of cooperation in the field. The cost determination without any written agreements means that Russia may feel free to update the pricing for the imported gas to Belarus at its own convenience, basing upon the initial long-term contract for the years of 2007 – 2010, urgently signed in Moscow at the turn of the year 2006.

Starting from January 2008, the Belarusian government has been trying to make Russia start negotiations on the cost of the natural gas, imported from Russia to Belarus for the remaining three quarters 2008 and even for the further perspective of 2009 – 2010. In order to meet the goal, the Belarusian government has sent at least 12 officials from different state institutions to hold negotiations in Moscow

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since the beginning of 2008. Nevertheless, the "Gasprom" press-service stated repeatedly that the Russian gas exporting monopolist was reluctant to hold further discussion of the price for Belarus.

Also, the Belarusian side has expressed its desire to get another Russian credit in the amount of USD 2 billion. However, no response to the initiative has been received yet.

The Belarusian government sees that Russia is highly interested in keeping Belarus calm and quiet on the eve of the coming Presidential election in the Russian Federation on March 2, 2008.

Moreover Russia badly needs the loyalty of Belarus in the international organizations, including OSCE, the Customs Union (Russia, Kazakhstan, Belarus) as well as the support of Belarus on the issue of the US anti-missile defense installations in Europe.

The Russian government regards these directions as highly important for carrying out the easy transfer of political power to Putin's successor at the coming Presidential election.

However, following the press reports from the recent meeting of Presidents in Sochi, Lukashenka failed to achieve significant success during the held negotiations with his Russian colleague.

He proposed to include the Belarusian commodities in the national programs of Russian Federation. That would ensure the ready sale of Belarusian agricultural equipment. However, Lukashenka didn't receive any clear answer to this request. It still remains to be unknown if Lukashenka managed to achieve any agreement regarding the change of costs for the natural gas, imported from Russia to Belarus. However, it is quite probable that the price for gas will not increase much for Belarus in the year of 2008, even if Medvedev and Zubkov felt reluctant to make any promises on the issue. Firstly, this scenario may take place, owing to the problems with Ukraine in the field. Both the Belarusian and foreign economic experts believe that the recent initiatives, declared by the Ukrainian Prime-Minister Yulia Timoshenko may jeopardize implementation of "Gazprom" gas supply contracts with the EU states in the year of 2008.

Some more aspects of Belarusian – Russian relations were revealed last week. On the one hand, the Head of Russian Space Troops declared his country's intention to get rid of military installations outside Russia, including those located on the Belarusian territory. On the other hand, the Head of Russian Customs Committee stated that Russia was considering the Belarusian proposal on shifting the western custom line of the Union State to the border of Belarus and the European Union

It is important to mention that on the eve of Lukashenka's recent talks in Sochi, Viktor Zubkov changed Dmitry Medvedev on the post of "Gazprom" Board Chairman.

Moreover, Russia is highly interested in taking part in building the Belarusian APP. Therefore, the "political decision" and the President's ordinance about the beginning of construction appeared in January 2007. It was an additional argument in bargaining with the Kremlin as for the terms of cooperation in the gas and trade fields.

A. Lukashenka signed Ordinance No.1 of the Security Council of Belarus "About the Development of Nuclear Energetics in the Republic of Belarus" on January 31, 2008. (The ordinance is a new kind of legal acts in the country.) Among other, it is noted in the ordinance that the first power-generating unit of Belarusian APP is to be built in 2016 and the second power-generation union is to appear in 2018. The APP will have total capacity of 2,000 megawatts.

According to the ordinance, the government together with the National bank will have to work out the schemes of sources of financing the project of constructing the first APP in Belarus till January 1, 2009. The decision on building the Belarusian APP will be presented for approval to the International Atomic Energy Agency.

Reportedly, it is planned to establish new laboratories for the APP scientific support at the National Academy of Science of Belarus.

The presently imprisoned ex-candidate to Presidency Alaksandr Kazulin has stated that the decision to build an APP in Belarus is "an immoral political decision for a country that has suffered badly from Chernobyl." He added that he had addressed unsuccessfully to the Belarusian government with a proposal to join a common project of Lithuania, Latvia and Poland on building a common atomic power-plant. Alaksandr Kazulin believes that Belarus may join the project only in case of serious democratic reforms in the social, economic and political fields in the country.

The foundation of "Our Belarus!" human rights movement was an important event in the Belarusian public life last week. The movement aims at providing legal support to the small and medium-scale business representatives in the country. More and more Belarusian individual

enterpreneurs come to understanding of real intentions of Belarusian authorities in relation to them. It becomes more and more clear to them that the Belarusian government is not satisfied with the situation, when a large number of citizens owns some property and feels economically independent.

The repressive state policy has already led the Swedish "IKEA" company management to take a decision on suspending its activity in the Belarusian market till the year of 2014. ("IKEA" is a world leader in the furniture production market.)

The decision of the well-known Swedish concern will definitely result in reluctance of other global market giants to invest in Belarus.

OFFICIALLY

Lukashenka Reaches for Sochi

During the meeting with Vladimir Putin, Aliaksandar Lukashenka stated that he would like Belarusians to build a small part of their homeland in Sochi as the heads of states discussed the possible participation of Belarus in Russian federal programmes.

In particular, the presidents were speaking about possible supplies of Belarusian agricultural machines and products to the Russian Federation.

Aliaksandar Lukashenka suggested that building one of the seventy sport objects in Sochi should be given to Belarus. This was on the agenda of Aliaksandar Lukashenka's meeting with the head of the Russian Olympics Committee Leonid Tegachev. The Belarusian side offers that one of the objects should be built by Belarusian specialists using Belarusian building materials.

Apart from meeting with the Russian president, Aliaksandar Lukashenka held talks with Prime Minister Zubkov and Vice-Premier Medvedev.

POLITICS

Homiel Judges Use Provokers' Services

The Human Rights Alliance has passed a document to the BelaPAN News Agency with a surname of some Homiel electrician Artsiom Smirnou, who

acted as a witness "on the staff" during a number of political cases in court.

The 20-year-old youngster attested against the local leader of private enterpreneurs Anatol Rubchenia in court on January 28, 2008. The witness "on the staff" accused the repressed individual entrepreneur of "cursing" at him on January 18 without adducing any proof. Consequently, the local entrepreneur spent 3 days behind bars. Mr. Rubchenia noted that the youngster had asked a cigarette and then hit him in the face.

Surprisingly, Artsiom Smirnou had provided the similar "cursing" evidence against Uladzimier Katsora, the local leader of "Za Svabodu" movement on the eve of the Belarusian Freedom Day in 2007.

ECONOMICS

Residents of Free Economic Areas Will Enjoy Special Legal Regime

The residents of Belarusian Special economic areas will enjoy additional discounts, while implementing their investment projects.

The President of Belarus has signed an ordinance, introducing changes and amendments to several legal regulations on the activity of Free Economic Areas, the BelTA News Agency reports.

In particular, the residents of the areas will have the guaranteed special taxation regime for 7 years. Moreover, they will enjoy the discounted rates for renting ground areas, aimed at implementing their investment projects. In addition, the residents of Free Economic Areas will be exempted from the real estate tax and the taxes for buying automobile transport facilities. Moreover, the state will facilitate funding the construction and development of infrastructure objects in the Free Economic Areas. The ordinance will come into force on April 1, 2008.

OPPOSITION

Will the Oppositional Communist Party Be Closed?

The Supreme Court of Belarus has started regarding a claim, filed by the Ministry of Justice against the oppositional Belarusian Communists' Party.

The Ministry blamed the party for the failure to observe the laws demanded to deprive the political organization of its official registration.

It should be reminded that the Communist Party's activity got suspended in August 2007. The oppositional Communists ignored this decision and carried on their political activity.

SOCIETY

"Freedom to Andrei Kim! Freedom to Entrepreneurship!"

A civil committee "Freedom to Andrei Kim! Freedom to Entrepreneurship!"

has been founded recently. Private enterpreneurs, politicians and Andrei Kim's friends entered the committee.

It should be reminded that on February 4, 2008, A. Kim was officially accused of hitting a policeman on duty during a protest action of private entrepreneurs on January 21, 2008.

The young civil activist may be sentenced to 6 years of imprisonment.

CULTURE

Poland Proposed Help in Reconstructing Napoleon Orda's Estate

The Polish side will provide scientific support at the time of reconstruction of Napoleon Orda's former family estate in Janau district, Bierascie region.

This issue was discussed during a recent meeting of Belarus' ambassador in Poland Pavel Latushka with the Polish Vice-minister of Culture and National Heritage Tomasz Mert.

Among other, there were discussed the activities of Belarusian-Polish Advisory Panel on Historical and Cultural Heritage. The negotiating parties drew especial attention to cooperation during the reconstruction of Radzivills' Palace in Niasvizh. Also, there was reached an agreement on paying common efforts with the aim of putting Augustouski canal on the UNESCO World Heritage List.



There are various sites devoted to events in Belarus, which are, however, little known in Western Europe, and among people dealing with politics towards Belarus who do not understand the Russian or Belarusian languages.

The site <u>belarus-live</u> fills this gap. The site allows to order weekly reception of news in English, Polish, Belarusian, Russian.

