

NEWSLETTER 11/04-17/04/08

The Prime-Minister Siarhei Sidorski reported on the results of economic development of Belarus in the first quarter of 2008 recently. In particular, he told that the Gross Domestic Product increased by 10.5% with the forecast of 11%. Also, S. Sidorski named a range of other indicators that, in his opinion, manifest positive tendencies in the economy. According to the Prime Minister, the industrial production development amounted to 113.6%, the agricultural production rise totaled 106.8% and the scope of investments to the capital assets reached 120% within the first quarter 2008.

Moreover, according to the preliminary data, presented by the Minister of Economy of Belarus Mikalay Zaychanka, Belarus may reach a positive balance of foreign trade in the amount of nearly USD 20 million at the end of the first quarter of 2008.

It should be reminded that the negative balance of foreign trade of Belarus totaled an enormous sum of USD 2.75 billion. Consequently, the Belarusian government expressed great concern with the statistics.

Independent experts believe that certain progress this year has become possible due to the reached agreement on the oil supply from Russia and, correspondingly, the highly increased export of Belarusian oil refinery products.

In particular, the export of oil refinery products from Belarus in January 2008 exceeded by 72.8% (i.e. 1.474 million tons) the export of the same products in January 2007.

emphasize that this tendency cannot be regarded as sustainable.

The costs for potash fertilizers and metals that make important parts of export from Belarus are rapidly increasing as well. Thus, the expert conclude that the amelioration of foreign trade statistics is firstly explained with favourable market conditions in the field. However, they

In particular, a well-known independent economist Yaraslau Ramanchuk notes that no breakthroughs to new markets have been implemented so far. Consequently, no quantitative changes in the export structure have taken place yet. Therefore, it is too early to say, if it will be possible to diminish the balance of trade deficit during the present year. Among other, the expert stated that Belarus may lose its positions in the Russian market to a considerable extent, should it fail to shift to the export of high-tech products, as the prosperous Russian customers start showing preference to other foreign brands.

The inflation rate within the first quarter 2008 amounted to 4.1%. This figure is less than in Russia (4.8%) and Ukraine (over 9%). However, it exceeds the forecast, presented by the Belarusian government.

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 Barys Kit Museum to Be Open in Navahradak Independent experts believe that it won't be possible to keep the annual inflation rate within the official forecast framework (6-8%). According to the forecast, presented by a former Head of National Bank of Belarus Stanislau Bahdankievich, the official inflation rate may amount to 15%. At the same time, the real inflation rate will exceed considerably the figures, presented by the Ministry of Statistics of Belarus, the expert believes. S. Bahdankivich stated that the methods of calculation, used by the Ministry are far from being accurate in the case.

According to an independent political scientist Valery Karbalevich, the present-day Belarusian society has entered the era of consumerism. Consequently, the national government will be able to retain the political status-quo only in case of continuation of consumer boom, ensured by economic preferences on the part of Russia to a large extent.

However, the Kremlin's threats to increase the cost of natural gas, imported to Belarus create a risk of economic crisis and even foreshadow a process of creeping incorporation of Belarus by Russia. The "Gasprom" officials openly state that a political confederation treaty between Belarus and Russia is the only real precondition for getting cheap gas supplies to the country. In practice, the agreement may lead to annexation of Belarus by Russia.

However, presently, the Belarusian government is making use of the concerns of Russian political elite with their domestic problems, connected with building a new "two-headed" configuration of governmental authority with the elected President Medvedev and the future strong Prime-Minister Uladzimir Putin. Consequently, enjoying temporary silence in the eastern direction, the Belarusian government can indulge in carrying on confrontation with the USA that is accompanied with deterioration of relations with the European Union this time.

During a briefing on April 17, 2008, an official representative of Ministry of Foreign Affairs of Belarus reminded that the Belarusian government was expecting further reduction of the US diplomatic staffing in Belarus to 7 people. Earlier in March 2008, the USA had to honor a similar demand of Belarusian authorities. Consequently, the US Ambassador in Belarus Ms. Karen Stewart and 17 more US diplomats had to leave Belarus.

The Belarusian government links normalization of diplomatic relations with the United States with abolition of the US economic sanctions against the "Belnaftakhim" concern.

On April 16, 2008, the Belarusian Foreign Office criticized a PACE resolution on Belarus, demanding the Belarus' government to terminate capital punishment as well as to cancel article 193-1 of Criminal Code that envisages up to two years of imprisonment for activity on behalf of non-registered organizations.

The Belarus' Ministry of Foreign Affairs stated that the PACE resolution was "grounded upon distorted information." Also, the Belarusian governmental officials mentioned that the document was counter-productive in its essence and hampered launching real cooperation and dialogue."

It should be mentioned that the PACE Resolution on Belarus was approved, following a report, prepared and delivered by a Cyprus deputy Christos Purgurides about abuses in the Belarus' system of criminal prosecution.

Independent observers have already named a trial against 14 youth activists, who took part in mass protest actions of private enterpreneurs on January 10, 2008, to be a gloomy illustration of highly topical problems, the PACE has been recently discussing in relation to Belarus.

The young democratic activists are accused of breaking the law on mass public events. All of them are threatened with different terms of imprisonment, in accordance with the Criminal Code of Belarus.

It should be reminded that nearly 5,000 private enterpreneurs gathered in the city center of Miensk in order to protest against highly discriminative Presidential decrees that jeopardized the mere existence of small business in the country. In particular, the protestors were making attempts to block the traffic in the main Independence Ave. in Miensk.

Some observers believe that following the 'Trial of 14', the list of political prisoners may be become larger. Consequently, the regime may dare use the imprisoned people as "living commodity" during its another political bargaining with the West that demands setting free all political prisoners and termination of political repression as pre-conditions of any dialogues.

The political analysts do not exclude that reinforcement of pressure on the part of Russia will make A. Lukashenka begin a new stage of games on starting a dialogue with the West. However, the experts forecast that these political maneuvers are most likely to take place during the autumn or winter seasons against the background of negotiations about a new contract on gas supply to Belarus in 2009.

A traditional "Charnobylski Shlakh" public action of Belarusian democratic forces is scheduled for April 26, 2008. It is aimed at commemoration of Chernobyl disaster and its horrifying consequences. The action will be held under the protest slogans against building a Nuclear Power Plant in Belarus without a public discussion.

POLITICS

A. Merkel Spoke about Support to Belarusian Democracy

"Europe should support those, who fights for democracy, and those, who is in Belarusian prisons because of political reasons", - said the Federal Chancellor of Germany Angela Merkel at the spring session of PARE.

A. Merkel emphasized that she was talking on behalf of her party – Christian Democratic Union.

The Chancellor of Germany considers that it is possible to help Belarusian political prisoners by "distributing information about those, who are in Belarusian prisons for political reasons, so that they wouldn't think they are forgotten".

A. Merkel expressed an opinion that attempts to return Belarus into democratic community of Europe "would reach a success."

OFFICIALLY

PACE Sub-Committee on the Media Criticized Belarus

The PACE Sub-Committee on the Media criticized application of physical force against journalists by Belarusian riot police during a rally, dedicated to Freedom Day on March 25, 2008 as well as mass KGB searches in the

apartments, belonging to independent journalists on March 27-28, 2008.

The Sub-Committee addressed to the Belarusian governmental authorities with a proposal to investigate the cases as well as to respect the freedom of expression and media in Belarus.

Moreover, the PACE Committee on Mass Media proposed expert assistance in discussing a new draft law on Information, Informatization and Information Defense that evokes enormous anxiety among Belarusian independent journalists.

The Chairperson of Belarusian Association of Journalists Zhanna Litvina and a Deputy Chairman of BPF Party Yuras Hubarevich represented the Belarusian civil society during the meeting. The Belarusian official authorities were represented by a diplomatic officer from Strasbourg Andrei Sukharenka. However, the latter withheld comments.

OPPOSITION

"Trial of 14"

The so-called "Trial of "14" started in the Central City District Court of Minskon April 16, 2008. Youth activists, who are accused of participation in mass riots in the Belarusian capital during protest actions of Belarusian private enterpreneurs on January 10 may be sent to prison. Criminal cases have been filed against Anton Koipish, Mikhail Kryvau, Tatsyana Tsishkevich, Andrei Kim, Mikhail Pashkevich, Alyaksei Bondar, Uladzimer Syarheyeu, Artsyom Dubsky, Ales Straltsou, and Andrei Charnyshou, they are threatened with 6 years of imprisonment. None of the imprisoned admitted their guilt.

ECONOMY

Real Privatisation Starts In Belarus

Alaksander Lukashenka issued Decree #7, which ammends Decree #3 "On nationalization and privatization of state property in the Republic of Belarus".

According to the document the privatization of state property objects will take place on basis of three-year plans, approved by the country authorities and Local Council of Deputies.

Selling stocks of public corporations, created during the privatizational process, will occur in a way of competitions and auctions.

Besides, the state refuses from the right for actions in constituent funds of commercial organizations, appeared as a result of privatization.

Abolition of restrictions for stock turnover will be fulfilled in three stages.

During the third stage, which starts since January 1, 2011, all the restrictions will be completely cancelled, - the President's Press Service informs.

SOCIETY

Will There Be Herbicide Factory in Druzhny?

Government of the country will decide the question of building a chemical factory in the urban settlement Druzhny. The urban settlement dwellers, who arranged protests against the construction of the factory in their area, have received a refusal from the Ministry of Health Care, the BelTA News Agency informs.

The main state sanitary inspector Valiantsina Kachan said that Druzhny dwellers do not use common sense, but emotions, which are artificially roused by "those, who express their private interests". Valiantsina Kachan mentioned that it is highly important to build the factory, as it will attract foreign investements, foster creation of new working places and create positive perspective for the district development as a whole.

In their turn, the Puhavichy district dwellers retort that they are interested in the ecological issue and the impact of the herbicide factory work on their health. Valiantsina Kachan emphasized in her response that these were not sensible complaints, because all the demands of ecological safety would be considered during the factory construction.

CULTURE

Barys Kit Museum to Be Open in Navahradak

A museum in honor of Barys Kit, a well-known scientist of Belarusian origin will be created in Navahradak. B. Kit is an honorable scientist in the United States of America. He participated in elaboration of the US space and missile systems.

The museum activity has been initiated by a Belarusian writer Volha Ipatava and a civil activist Lidziya Savik. The Museum will be open in the premises of a former grammar school in Navahradak, where B. Kit used to study in his childhood. It should be mentioned that Barys Kit is an honorable citizen of Navahradak.

Barys Kit has celebrated his 98th anniversary this year. Presently, he is residing in Germany.



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.



