Belarus Headlines

January 20, 2010



Office for a Democratic Belarus

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Who and How Won Russia-Belarus Hydrocarbon Wars

This article was posted at the Belarusian analytical portal www.zautra.by and translated by the ODB.

By Mikalay Nekrashevich

Energy conflicts between Russia and Belarus are not new. Experts note that over the last decade there were two gas, two oil and one electricity war. On the eve of 2010 another hydrocarbon battle has erupted between the allies and it now that takes place on two fronts – oil and electricity.

However, the history of Belarusian-Russian energy relations shows that a very similar episode took place at the beginning of 2004. At that time, the situation seemed to be more critical, as at stake was the supply of all energy resources – gas, oil, and electricity.

First Gas War

It was in 2004 that for the first time since the collapse of the Soviet Union Belarus did not have a contract with Russia for gas deliveries. The Russian gas monopoly, Gazprom, and Beltransgaz were unable to reach agreement on the price of supplies and transit tariffs. Gazprom cut off Belarus' gas flow for one day and Alyaksandr Lukashenka lashed out at Moscow, comparing the attitude of the "brotherly nation" to the



The signature says: "Do not turn on!"

Nazis' activities in Belarus during the World War II.

Gazprom resumed natural gas deliveries to Belarus after an almost 24-hour suspension, but without signing a contract. Until the spring of 2004, gas was supplied by independent companies – Itera, TNK, and Transneft – with Gazprom's permission.

Russia Won

The price of gas was raised from US\$ 29 to almost US\$ 47 per 1 thousand cubic meters. During the negotiations in 2004, Russia forced the Belarusian side to agree to sell its transit company Beltransgaz and immediately accelerated all pre-sale preparations.

First Oil War

At the same time, the dispute drew Moscow's attention to

the failures of the agreements on the Customs Union and the Treaty on the Union State for the unification of export duties on oil and petroleum products. Due to rising oil prices, Belarus has become a fairly large exporter of petroleum products to the European market. There was a growing supply flow of duty-free low-cost crude oil from Russia into Belarus: and, this was of interest not only to the Belarusians but also to Russian suppliers. The reasons for this was the lower export tax that the exporter has to pay to the Belarusian budget. However, in January 2004, at the insistence of Russia, this fee was equalized.

Continued on p.2

Who and How Won Russia-Belarus Hydrocarbon Wars (continuation)

Outcome: Belarus won

The tax remained equal only for 3 months. In April 2004, Russia raised it to US\$ 31.5, and Belarus to US\$ 30.5 dollars per 1 ton. With each new increase the difference in this fee was becoming greater, thus attracting cheap resources to Belarus and allowing to earn more on the export of petroleum products.

In 2004, oil imports in Belarus amounted to 17.8 million tons, while in 2005 it rose to 19.3 million tons. More crude oil meant more oil products for export. In 2004, exports of petroleum products totalled 12.9 million tons worth US\$ 3.3 billion, and in 2005 - 13.5 million tons worth US\$ 4.8 billion.

To stop this progressive transformation of Belarus into the largest European exporter of petrol and gas, there had to be another oil war. The conflict of 2007 led to the introduction of an export duty on oil supplied to Belarus.

First Electricity War

On 1 January 2004 electricity supplied by Russia's "Inter RAO UES" was cut off after Belarus refused to pay the new price. The flow was resumed only in August 2004.

Result: Draw

No one was to benefit from this conflict. Russia's largest importer of electricity – Belarus – bought only 1.5 billion kWh in 2004, compared to 3,7 billion kWh that it imported in 2002 and 3.5 billion kWh in 2003. However, already in 2005, Belarus bought 4.5 billion kWh of electricity.

Second Gas War

Extra physical and mental effort was needed to resolve another gas conflict on the New Years' eve that started in the late 2006. After long wrangling caused by Russia's stated intention to commercialize its energy relations with all partners, Moscow and Minsk managed to find a consensus. According to the document signed on 31 De-

cember, gas prices for Belarus in 2008, 2009, and 2010 were going to be 67%, 80% and 90% of the European price, minus transportation costs and export duties, respectively.

Result: Draw

Although the fact that the price of

US\$ 47.6 per 1 thousand cubic meters rose at once to US\$ 101.3, thereby leading to an increase in the cost of gas imports from US\$ 1 billion to US\$ 2 billion, Belarus has managed to wrest significant concessions. It was not the European gas prices, and there was a sufficiently long transition period towards new prices.

However, the terms of the contract, as practice of Belarusian-Russian relations in the energy sphere shows, will probably lead to another – third – gas war – towards the end of 2010, when the four-year agreement will be due for revision. The current situation with oil also points to the possibility of such a conflict. Temporary compromise, found by the parties after Russia introduced an export duty on oil to Belarus in 2007, has now turned into a new oil battle.

Second oil war

In December 2006, Russia, realizing the futility of its attempts to persuade Minsk to share the profits from selling oil products, introduced a customs duty on exports of strategic resource in Belarus.

The military action resulted in the termination of oil transit through Belarus to Europe.

Under the compromise agreement, signed on 13 January 2007, the fee should be levied on oil, which goes for processing and further export abroad in the form of petroleum products. Oil supplies used domestically were going to be duty free.



As a result, the Belarusian-Russian agreements established that the distribution of revenues from customs duties on oil exports between the two countries would be the following: in 2007 -70% to 30%, in 2008 - 80% to 20%, and in

2009 - 85% to 15% in Russia's favour.

Russia won

According to experts, Belarus lost about 40% of its revenues from oil exports. In an interview with Reuters, President Lukashenka stated that the amount of losses from Russia's actions was approximately US\$ 5 billion.

18/01/2009

Source: zautra.by, ODB

An unresolved dispute over Russian oil exports to Belarus escalated again with Moscow reducing flows to Belarusian refineries, traders said Friday [January 15, 2010], in a move likely to revive fears of supply disruptions to Europe.

Traders said Russian pipeline monopoly Transneft had told oil firms to reroute one-third of flows scheduled for Belarusian refineries to the Polish Baltic port of Gdansk, which is on the same pipeline as Belarus but further west.

Source: The Moscow Times

Belarusian literature loses its English voice

The past year brought us sad news of the loss of Vera Rich, a famous translator of Belarusian literature, who passed away at her house in London on December 20, 2009.

A web-site dedicated to Belarusian culture A Belarus Miscellany notes that "Belarusian literature and Belarusians could not have a better friend than Vera Rich. For close to 50 years, she has made Belarusian literature and especially Belarusian poetry accessible to a much larger world than that of Belarus and the Belarusianspeaking Belarusian diaspora." Vera made the poems by such Belarusian authors as Janka Kupala, Jakub Kolas, Maksim Bahdanovič, Tsiotka, Natallia Arsen'eva, Ales' Harun, Larysa Heneush, Zmitrok Biadulia, Kandrat Krapiva, Volha Ipatava, Nil Hilevich and many other available to the English-speaking audience. Future poet, translator, author, journalist, and editor was born on April 24, 1936 in London.

The web-site of Belarusians in Britain www.belarusians.co.uk posted an interview with Ms. Rich for the Belarusian service of Radio Free Europe. In her conversation with a journalist Elisabeth Rich, known as Vera, shares her first impressions about the meeting with Belarusian culture. "You ask me about the most significant event in my life. The single most significant event happened in October 1953, when I was 17 years old. At that time, I regularly attended the local Catholic Church - Christ the King in north London-which was run by Benedictines. At that time, the language of Roman – rite services was still Latin; but one of the monks was very keen that the young people of the parish should understand that 'Catholic' did not necessarily mean 'Latin'. So he organised various events to teach us about other rites. He invited various priests to celebrate liturgy according to their own rites – I remember there was a Syrian, and a priest from the Malankara rite of India. Then, one day, he took a group of us to the Belarusian Catholic Mission, which is also in north London about 6 km away. I remember being a

little disappointed when our priest told us that, although the liturgy was the Byzantine rite, it would be in Old Slavonic, not Greek, because I had learned some Greek at school. However, I thought, whatever language it is in, it will be interesting.

Vera Rich in Brussels, March 26, 2008

And, indeed,

the other young people found it 'interesting'. But for me, it was the beginning of a new life. When I walked into that beautiful little church I suddenly had a strange feeling that for the first time in my life, I was where I ought to be. I could not get the feeling out of my head, and a few weeks later, I went back again... and again...

[...]My mother and I learned to sing in the choir. I gradually learned some Belarusian – mainly through listening to the sermons. I began to translate Belarusian poetry... [...]

I am now – by the calendar, almost 64 years old. (ODB: the interview took place in 2004) But in my new life, which began in October 1953, I am only just over 46."

Her first translation from Belarusian appeared in the emigre newspaper Bats'kaushchyna (Motherland) in 1957. The first poetry book by Vera Rich Outlines was published in 1960 and also included the English translation of the poem, Song of the Bells, an excerpt from Symon Muzyka, Book 1, by Jakub Kolas. In 1971, under the auspices of UNESCO, Vera Rich managed to publish the firstever Belarusian poetry anthology in the western language Like Water, Like Fire that was later banned in the USSR on the grounds of being politically incorrect. In 1969, Ms. Rich started to work for Nature magazine as a reporter on Eastern Europe and the USSR. In 1970-90 she cooperated with human rights groups in

the Soviet Union and managed to visit Belarus only in 1991 after the country got its independence. In 2004, a new book of Belarusian poetry translated by Vera Rich *Poems on Liberty: Reflections for Belarus* was published in Prague. In the last years she also worked on the translation of *Novaya Ziamlia* (*New Land*) by Yakub Kolas. Starting from 1991, Vera Rich tried to visit Belarus ones and sometimes twice a year. She was in contact with Belaru-

The Office for a Democratic Belarus also had the honour of cooperating with Ms. Rich. Upon the request of our office she was working on the translation of the book on Belarusian history by Uladzimir Arlou. In 2006, she participated in the jointly organised by the ODB and the Hanse-Office in Brussels discussion on the situation with Belarusian media.

sian diaspora abroad.

The Office for a Democratic Belarus is deeply saddened by this loss and would like to express condolences to Vera Rich's family, friends and everyone who knew this brightly talented and devoted person.

30/11/2009 **Source: ODB**

Photo by Alena Lis from the ODB archives

Opposition Activist Syarhey Kavalenka Released

Syarhey Kavalenka, a member of the Belarusian Christian Democratic Party (Belarusian Christian Democracy), who was arrested for putting a traditional, national white-redand-white flag on top of a Christmas tree on the square in

his home city of Vitsebsk, was released from the detention centre on 13 January 2010, under the recognisance not to leave.

A 35-year-old Kavalenka, who had repeatedly been punished under the Administrative Offenses Code for displaying white-red-and-white flags in public, faces new charges.

He was accused of 'violation of public



order and showing disrespect to the public in most aggressive and cynical way' (Article 339 p.1 of the Criminal Code

(hooliganism) - the charge that carries a penalty of up to three years of imprisonment - and of 'resisting a police officer' (article 363 that provides for up to 5 years of imprisonment).

Investigators also ordered Kavalenka to undergo a medical check-up with psychiatrists.

Between 1991 and 1994, the white-redand-white flag was one of the state symbols of Belarus. In a controversial 1995 national referendum, held on President Alyaksandr Lukashenka's initiative, 75 percent voted in favour of replacing the white-red-and-white flag by a Soviet-style red-green one, with 65 percent of eligible electorate taking part in the vote.

After the 1995 referendum, the flag became a symbol of opposition to the Lukashenka government and an indispensable attribute of street protests in the country. In this quality, the flag seems to strongly irritates police and government officials.

13-19/01/2010

Source: BelPAN, ERB, ODB

Belarus to Beef up Internet Control



Belarus' authoritarian leader is promising to toughen regulations regarding the usage of the Internet in an apparent effort to exert control over the last fully free medium in the former Soviet state.

"We will identify any person who

disseminates lies and dirt, and will make them answer strictly to the law," President Alyaksandr Lukashenka said commenting the draft law.

He told journalists that a proposed Internet bill would require the registration and identification of all online publications and of each web user, including visitors to Internet cafes. Web service providers would have to report this information to police, courts and special services.

Last June, Belarus adopted a media bill that allowed the government to close websites without prior warning and imprison journalists for reproducing foreign media reports. According to Internet expert Yury Zisser, who took part in the discussions on the draft law in 2009, the President's decree draft was discussed and approved by the Council of Ministers and the Ministry of Justice. However, it was blocked by the Office of the President. Zisser says that initially the draft was developed in order to obtain a monopoly over the Internet external gateway by the Operative and Analytical Centre at the Presidential Office. It contained the provisions for the upcoming elections and the wording was full of errors.

03-13/01/2010

Source: vcstar.com, ERB, ODB

Justice Ministry Issues Warning to Belarusian Association of Journalists

The Belarusian Ministry of Justice has issued an official warning to the Belarusian Association of Journalists (BAJ) over the alleged violations of the Organization's Charter.

The Justice Ministry says it is illegal to sign the Organization's membership identity cards as "PRESS", as BAJ is not a media outlet. Officials claim that the organisation has thus violated the law on the media and its actions have led to the "unjustified use of the status

of a media outlet by members of this organization..."

The Justice Ministry believes that the operation of the Legal Centre for Media Defence at the Belarusian Association of Journalists "is not envisaged by the charter of the organization" and notes that the BAJ's goals stated on its website do not correspond to those listed in its Charter", the Justice Ministry wrote. The Justice Ministry ordered to revoke all the membership cards that have a

"PRESS" signature within one month, "to ensure that these cards are not used" in the future, and to correct other "violations.

BAJ's leadership said they would definitely appeal against this warning, which they described as groundless.

18/01/2009 **Source: ERB**

Elections to Local Councils of Deputies in Belarus to Take Place on April 25

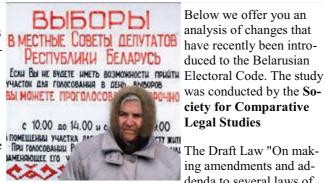
The Elections to Belarusian local councils of deputies are scheduled for 25 April 2010.

The territorial election commissions for the elections are to be formed by 29 January, Chairwoman of the Central Election Commission (CEC) Lydzia Yarmoshina

said in an interview with the ONT TV Channel.

According to Lydzia Yarmoshina, the CEC has prepared a set of documents on the forms of nominating candidates for the membership in the election commissions. The documents will be available for the electorate and political parties on 19 January. The elections to local Councils of Deputies are to take place in Belarus on 25 April 2010. Decree No. 21 "On the Elections to Local Councils of Deputies of the Republic of Belarus of the 26th Convocation" was signed by President of Belarus Alyaksandr Lukashenka on 18 January.

> 18/01/2010 Source: BelTA, ERB



A Belarusian woman near the billboard announcing election

Below we offer you an analysis of changes that have recently been introduced to the Belarusian ciety for Comparative **Legal Studies**

The Draft Law "On making amendments and addenda to several laws of the Republic of Belarus on elections and referenda" and the subsequent invali-

dation of the "Act on the Central Commission of Belarus for Elections and National Referenda" was introduced in the House of Representatives of the Republic of Belarus on November 24, 2009 by the President of the Republic of Belarus. It was reviewed during the first reading on November 30, 2009 and was planned to pass after the second reading on December 10, 2010. This analysis was prepared by the Minsk based legal think tank the Society for Comparative Legal Studies to cover the most important trends in the electoral legislation the change in legislation brings along with its impact on the electoral process.

Findings

For the first time in the history of sovereign Belarus a draft law takes into consideration suggestions of the OSCE / ODIHR, the Belarusian expert commu-

nity and civil society in the country. Changes and additions touched more than a third of all articles of the Electoral Code, while a number of additional articles were introduced. The draft law presented in the parliament can become a foundation for a more democratic electoral campaign in Belarus if relevant practice of its application is provided. Although significantly simplified the procedures for candidates nominating and their registration, the draft the principles of counting, summing up the elections and monitor the electoral process is not addressed. Additionally, the proposed rule of law is still not specific enough and leaves an opportunity for individual choice, not only for electoral commissions, but also to the authorities, giving the latter authority to organize and conduct elections.

On a general note, the authorities are one of the parties to the electoral process, interested in preserving the political alignment of forces in the country. Giving them significant power does not comply with the constitutional principle of equality of rights and in practice may again lead to elections that are inconsistent with the principles of true freedom and justice.

For the whole text please visit http://www.democraticbelarus.eu/

Public Advisory Council under Aegis of Presidential Administration May Resume Work

Aleh Hulak, chairman of the Belarusian Helsinki Committee and one of the participants of the council told BelaPAN that he had got an invitation to attend the next meeting of the Public Advisory Council under the Aegis of Presidential Administration.

Established on January 27, 2009 by consent of Alyaksandr Lukashenka, the Public Advisory Council consisted



Uladzimir Makey

of 30 members, including well-known critics of the government. The first meeting of the Council, which focused on the rules of procedure, was held on February 6. At a meeting on April 31, the Council discussed the development of the Bela-

rusian economy amid the current crisis. At its third meeting, which was held on June 17 at a correctional institution in Zhodzina, Minsk region, the Council

discussed the issue of death penalty.

Mr. Makey suspended the work of the council on November 12, 2009 linking the decision to media reports in which "certain opposition figures," including members of the Council, dismissed it as a sham and a decorative body.

20/01/2010

Source: BelaPAN

Customs Union of Kazakhstan, Russia and Belarus Starts Its Work

"The Customs Union of Kazakhstan, Russia and Belarus will strengthen our economy and will open new prospects", the President of Kazakhstan, Nursultan Nazarbayev, said in his speech to the nation on the New Year's eve, reports Kazakhstan's *Today* agency. The text of the presi-

dential address was published on the official site of Kazakhstan.

"We will be living in the Customs Union from January 1 together with Belarus and Russia. We will start the



Nazarbayev, Lukashenka and Medvedev

creation of the uniform economic space. It will strengthen our economy, will open new prospects, and will raise the quality of life of Kazakhstan citizens," the President of Kazakhstan said.

The Presidents of the EurAsEC

countries made the decision on creation of the Customs Union on October 6, 2007. In October 2008, Russia, Belarus and Kazakhstan created the Customs Union Commission.

Formation of the uniform customs territory assumes cancellation of customs borders between the Customs Union states and shifting all kinds of state control, except boundary, to the customs border of the union. It is planned that control will be cancelled starting from July 1, 2010 at the Belarus-Russian border and in Kazakhstan - from July 1, 2011. The uniform custom duties in the territory of three countries will come into force on January 1, 2010.

The customs code will start to work on July 1 of 2010.

05/01/2009 Source: gazeta.kz

Six State-Run Companies Removed from List of Enterprises Subject to Ownership Reform in 2010

The Council of Ministers, by its December 31 directive, removed six state -owned companies from the list of enterprises subject to reorganization into a stock company in 2010.

Four of the enterprises are controlled by the agriculture ministry, one by the transport ministry and another by the energy ministry.

The cabinet also added four agricultural enterprises, six transport companies and one energy company to the list.

In addition, the cabinet deleted four poultry farms from the list because they were reorganized into stock companies in 2009.

As many as 108 state-run enterprises were converted into stock companies in 2009 and 130 more companies are expected to undergo the same ownership reform this year.

11/01/2010 **Source: BelaPAN**

Foreign Investment Accounted for 1.4 % of Fixed Capital Expenditures in 2009

According to the National Statistics Committee, foreign investment accounted for 1.4 percent of all fixed capital expenditures in Belarus in 2009, down from 1.7 percent the previous year.



The investment totalled 616.1 billion rubels (US 216 million), a decrease of 4.3 percent compared with 2008, according to the Committee.

At the same time, loans provided by foreign banks doubled to 529.8 billion

rubels, accounting for 1.2 percent of total fixed capital expenditures.

Organizations' own funds increased by 3.3 percent to 16,395 billion rubels and accounted for 38.1 percent of all fixed

capital expenditures, consolidated budget funds fell by 9.2 percent to 9,420 billion rubels (21.8 percent) and bank loans went up by 36 percent to almost 11,300 billion rubels (26.3 percent).

Loans provided by other organizations

increased by 56.1 percent to 439.8 billion rubels, the population's own funds by seven percent to 2,605 billion rubels, off-budgetary funds by 59.5 percent to 159.2 billion rubels and other sources by 8.3 percent to 1,282 billion rubels.

Overall, fixed capital expenditures increased by 8.6 percent to 43,100 billion rubels (US 15 billion) in 2009 compared with 2008.

11/01/2010 **Source: BelaPAN**

Russia Beckons Belarus to Heel in Oil Supply Row

Russia is trying to bring Belarus to heel by threatening to cut at least \$2.5 billion in energy subsidies that prop up the economy of its ex-Soviet neighbour, analysts said.

Russia briefly cut oil supplies to Belarusian refineries this month in the dispute over Belarus's lucrative business in exports of oil products refined from Russian crude, again raising the specter of supply disruptions for EU customers.

But the rift, which helped push U.S. crude above \$81 a barrel on Monday, is about much more than energy subsidies.

At stake is the political future of Belarus, which is wedged between Russia and the European Union, and key Belarusian refineries that the Kremlin would like to see in the hands of Russian companies.

Analysts said Russia is using its energy might to bring Belarusian President Alyaksandr Lukashenka to heel after attempts by the former Soviet farm director to leverage dependency on Moscow with overtures toward European powers.

"Russia is playing hardball and bringing Belarus into line," said Chris Weafer, chief strategist at Uralsib Capital, a Moscow investment bank. "Lukashenka doesn't really have any options -- he has nowhere to go except Russia, and the Kremlin knows it."

Lukashenka, in power since 1994, admitted last month that he would face "political death" if he moved out of Moscow's orbit, though he has tried to build ties with the West since falling out with Moscow in 2007 over a hike in energy prices.

He has openly strained relations with Russian Prime Minister Vladimir Putin. The Kremlin was furious in June when Lukashenka snubbed a security summit in Moscow.

Belarus has long been isolated because the West said Lukashenka ran Belarus like a post-Soviet dictatorship, though the EU has now said it is willing to improve ties with Minsk.

OIL TRADING

The row with Russia centres on oil duties paid for millions of tons of oil that Belarus has imported from Russia with steep discounts.

Russia allowed Belarus to import oil for domestic use duty-free, while paying just 35.6 percent of Russia's crude export tariff for oil that is then refined and sold onwards.

Putin said Belarus can buy 6 million tons this year for domestic needs without paying duties, leaving 14.5 million tons of crude that Moscow says Minsk should pay at least the full \$267 a ton duty on.

That would amount to a hike of about \$2.5 billion in 2010, or about 5 percent of Belarus's \$50 billion economy, which is deeply dependent on the export of subsidised oil products.

"Oil products are one of the main sources of export income for Belarus," said Yaraslau Ramanchuk, the director of the Mizes think tank in Minsk. "Last year, oil products made up 37 percent of exports."

Russian Deputy Prime Minister Igor Sechin, who holds sway over the oil and gas sector of the world's biggest energy producer, warned on Monday that there was still no agreement on oil pricing with Belarus.

ENERGY POWER

By demanding such a painful hike in customs duties, Moscow could force Belarus to the negotiating table on a host of issues including the sale Belarusian assets to Russian companies.

Belarus has yet to decide whether it will sell a stake in the Naftan oil refinery to Rosneft (ROSN.MM), a state controlled Russian oil company whose board is chaired by Sechin, or LU-KOIL (LKOH.MM), Russia's second largest oil producer.

"Russian capital wants to get into the oil sector," said Alyaksandr Klaskousky, an independent political analyst in Minsk.

Russia has repeatedly clashed with its neighbors over energy pricing in recent years. A dispute with Ukraine last winter left EU customers without gas for almost two weeks in the dead of winter, severely straining ties with the European Union.

But Moscow views the disputes as a way to increase European Union interest in projects -- such as the expanded terminal in the Baltic Sea port of Primorsk and the North Stream gas pipeline -- which bypass transit states such as Belarus.

(Additional reporting by Dmitry Zdhannikov and Lidya Kelly in Moscow and Chris Baldwin in London; editing by William Hardy)

15/01/2009

Source: Reuters

Belarus-Russia Talks on Power Transit Postponed

Talks between representatives of the Belenerha state industrial association of Belarus and Inter RAO UES of Russia on issues of transit of Russian electric power to the Baltic countries and the Kaliningrad Region via the Belarusian territory, as well as supplies of Russian electric power have been postponed for an indefinite time, press secretary of the Ministry of Energy of Belarus Lyudmila Zyankovich told ITAR-TASS on Tuesday.

19/10/2009

Source: Itar-Tass

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However, the history of Belarusian-Russian energy relations shows that a very similar episode took place at the beginning of 2004. At that time, the situation seemed to be more critical, as at stake was the supply of all energy resources – gas, oil, and electricity.

First Gas War

It was in 2004 that for the first time since the collapse of the Soviet Union Belarus did not have a contract with Russia for gas deliveries. The Russian gas monopoly, Gazprom, and Beltransgaz were unable to reach agreement on the price of supplies and transit tariffs. Gazprom cut off Belarus' gas flow for one day and Alyaksandr Lukashenka lashed out at Moscow, comparing the attitude of the "brotherly nation" to the



The signature says: "Do not turn on!"

Nazis' activities in Belarus during the World War II.

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Russia Won

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At the same time, the dispute drew Moscow's attention to

the failures of the agreements on the Customs Union and the Treaty on the Union State for the unification of export duties on oil and petroleum products. Due to rising oil prices, Belarus has become a fairly large exporter of petroleum products to the European market. There was a growing supply flow of duty-free low-cost crude oil from Russia into Belarus: and, this was of interest not only to the Belarusians but also to Russian suppliers. The reasons for this was the lower export tax that the exporter has to pay to the Belarusian budget. However, in January 2004, at the insistence of Russia, this fee was equalized.

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In 2004, oil imports in Belarus amounted to 17.8 million tons, while in 2005 it rose to 19.3 million tons. More crude oil meant more oil products for export. In 2004, exports of petroleum products totalled 12.9 million tons worth US\$ 3.3 billion, and in 2005 - 13.5 million tons worth US\$ 4.8 billion.

To stop this progressive transformation of Belarus into the largest European exporter of petrol and gas, there had to be another oil war. The conflict of 2007 led to the introduction of an export duty on oil supplied to Belarus.

First Electricity War

On 1 January 2004 electricity supplied by Russia's "Inter RAO UES" was cut off after Belarus refused to pay the new price. The flow was resumed only in August 2004.

Result: Draw

No one was to benefit from this conflict. Russia's largest importer of electricity – Belarus – bought only 1.5 billion kWh in 2004, compared to 3,7 billion kWh that it imported in 2002 and 3.5 billion kWh in 2003. However, already in 2005, Belarus bought 4.5 billion kWh of electricity.

Second Gas War

Extra physical and mental effort was needed to resolve another gas conflict on the New Years' eve that started in the late 2006. After long wrangling caused by Russia's stated intention to commercialize its energy relations with all partners, Moscow and Minsk managed to find a consensus. According to the document signed on 31 De-

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Under the compromise agreement, signed on 13 January 2007, the fee should be levied on oil, which goes for processing and further export abroad in the form of petroleum products. Oil supplies used domestically were going to be duty free.



As a result, the Belarusian-Russian agreements established that the distribution of revenues from customs duties on oil exports between the two countries would be the following: in 2007 -70% to 30%, in 2008 - 80% to 20%, and in

2009 - 85% to 15% in Russia's favour.

Russia won

According to experts, Belarus lost about 40% of its revenues from oil exports. In an interview with Reuters, President Lukashenka stated that the amount of losses from Russia's actions was approximately US\$ 5 billion.

18/01/2009

Source: zautra.by, ODB

An unresolved dispute over Russian oil exports to Belarus escalated again with Moscow reducing flows to Belarusian refineries, traders said Friday [January 15, 2010], in a move likely to revive fears of supply disruptions to Europe.

Traders said Russian pipeline monopoly Transneft had told oil firms to reroute one-third of flows scheduled for Belarusian refineries to the Polish Baltic port of Gdansk, which is on the same pipeline as Belarus but further west.

Source: The Moscow Times

Belarusian literature loses its English voice

The past year brought us sad news of the loss of Vera Rich, a famous translator of Belarusian literature, who passed away at her house in London on December 20, 2009.

A web-site dedicated to Belarusian culture A Belarus Miscellany notes that "Belarusian literature and Belarusians could not have a better friend than Vera Rich. For close to 50 years, she has made Belarusian literature and especially Belarusian poetry accessible to a much larger world than that of Belarus and the Belarusianspeaking Belarusian diaspora." Vera made the poems by such Belarusian authors as Janka Kupala, Jakub Kolas, Maksim Bahdanovič, Tsiotka, Natallia Arsen'eva, Ales' Harun, Larysa Heneush, Zmitrok Biadulia, Kandrat Krapiva, Volha Ipatava, Nil Hilevich and many other available to the English-speaking audience. Future poet, translator, author, journalist, and editor was born on April 24, 1936 in London.

The web-site of Belarusians in Britain www.belarusians.co.uk posted an interview with Ms. Rich for the Belarusian service of Radio Free Europe. In her conversation with a journalist Elisabeth Rich, known as Vera, shares her first impressions about the meeting with Belarusian culture. "You ask me about the most significant event in my life. The single most significant event happened in October 1953, when I was 17 years old. At that time, I regularly attended the local Catholic Church - Christ the King in north London-which was run by Benedictines. At that time, the language of Roman – rite services was still Latin; but one of the monks was very keen that the young people of the parish should understand that 'Catholic' did not necessarily mean 'Latin'. So he organised various events to teach us about other rites. He invited various priests to celebrate liturgy according to their own rites – I remember there was a Syrian, and a priest from the Malankara rite of India. Then, one day, he took a group of us to the Belarusian Catholic Mission, which is also in north London about 6 km away. I remember being a

little disappointed when our priest told us that, although the liturgy was the Byzantine rite, it would be in Old Slavonic, not Greek, because I had learned some Greek at school. However, I thought, whatever language it is in, it will be interesting.

Vera Rich in Brussels, March 26, 2008

And, indeed,

the other young people found it 'interesting'. But for me, it was the beginning of a new life. When I walked into that beautiful little church I suddenly had a strange feeling that for the first time in my life, I was where I ought to be. I could not get the feeling out of my head, and a few weeks later, I went back again... and again...

[...]My mother and I learned to sing in the choir. I gradually learned some Belarusian – mainly through listening to the sermons. I began to translate Belarusian poetry... [...]

I am now – by the calendar, almost 64 years old. (ODB: the interview took place in 2004) But in my new life, which began in October 1953, I am only just over 46."

Her first translation from Belarusian appeared in the emigre newspaper Bats'kaushchyna (Motherland) in 1957. The first poetry book by Vera Rich Outlines was published in 1960 and also included the English translation of the poem, Song of the Bells, an excerpt from Symon Muzyka, Book 1, by Jakub Kolas. In 1971, under the auspices of UNESCO, Vera Rich managed to publish the firstever Belarusian poetry anthology in the western language Like Water, Like Fire that was later banned in the USSR on the grounds of being politically incorrect. In 1969, Ms. Rich started to work for Nature magazine as a reporter on Eastern Europe and the USSR. In 1970-90 she cooperated with human rights groups in

the Soviet Union and managed to visit Belarus only in 1991 after the country got its independence. In 2004, a new book of Belarusian poetry translated by Vera Rich *Poems on Liberty: Reflections for Belarus* was published in Prague. In the last years she also worked on the translation of *Novaya Ziamlia* (*New Land*) by Yakub Kolas. Starting from 1991, Vera Rich tried to visit Belarus ones and sometimes twice a year. She was in contact with Belaru-

The Office for a Democratic Belarus also had the honour of cooperating with Ms. Rich. Upon the request of our office she was working on the translation of the book on Belarusian history by Uladzimir Arlou. In 2006, she participated in the jointly organised by the ODB and the Hanse-Office in Brussels discussion on the situation with Belarusian media.

sian diaspora abroad.

The Office for a Democratic Belarus is deeply saddened by this loss and would like to express condolences to Vera Rich's family, friends and everyone who knew this brightly talented and devoted person.

30/11/2009 **Source: ODB**

Photo by Alena Lis from the ODB archives

Opposition Activist Syarhey Kavalenka Released

Syarhey Kavalenka, a member of the Belarusian Christian Democratic Party (Belarusian Christian Democracy), who was arrested for putting a traditional, national white-redand-white flag on top of a Christmas tree on the square in

his home city of Vitsebsk, was released from the detention centre on 13 January 2010, under the recognisance not to leave.

A 35-year-old Kavalenka, who had repeatedly been punished under the Administrative Offenses Code for displaying white-red-and-white flags in public, faces new charges.

He was accused of 'violation of public



order and showing disrespect to the public in most aggressive and cynical way' (Article 339 p.1 of the Criminal Code

(hooliganism) - the charge that carries a penalty of up to three years of imprisonment - and of 'resisting a police officer' (article 363 that provides for up to 5 years of imprisonment).

Investigators also ordered Kavalenka to undergo a medical check-up with psychiatrists.

Between 1991 and 1994, the white-redand-white flag was one of the state symbols of Belarus. In a controversial 1995 national referendum, held on President Alyaksandr Lukashenka's initiative, 75 percent voted in favour of replacing the white-red-and-white flag by a Soviet-style red-green one, with 65 percent of eligible electorate taking part in the vote.

After the 1995 referendum, the flag became a symbol of opposition to the Lukashenka government and an indispensable attribute of street protests in the country. In this quality, the flag seems to strongly irritates police and government officials.

13-19/01/2010

Source: BelPAN, ERB, ODB

Belarus to Beef up Internet Control



Belarus' authoritarian leader is promising to toughen regulations regarding the usage of the Internet in an apparent effort to exert control over the last fully free medium in the former Soviet state.

"We will identify any person who

disseminates lies and dirt, and will make them answer strictly to the law," President Alyaksandr Lukashenka said commenting the draft law.

He told journalists that a proposed Internet bill would require the registration and identification of all online publications and of each web user, including visitors to Internet cafes. Web service providers would have to report this information to police, courts and special services.

Last June, Belarus adopted a media bill that allowed the government to close websites without prior warning and imprison journalists for reproducing foreign media reports. According to Internet expert Yury Zisser, who took part in the discussions on the draft law in 2009, the President's decree draft was discussed and approved by the Council of Ministers and the Ministry of Justice. However, it was blocked by the Office of the President. Zisser says that initially the draft was developed in order to obtain a monopoly over the Internet external gateway by the Operative and Analytical Centre at the Presidential Office. It contained the provisions for the upcoming elections and the wording was full of errors.

03-13/01/2010

Source: vcstar.com, ERB, ODB

Justice Ministry Issues Warning to Belarusian Association of Journalists

The Belarusian Ministry of Justice has issued an official warning to the Belarusian Association of Journalists (BAJ) over the alleged violations of the Organization's Charter.

The Justice Ministry says it is illegal to sign the Organization's membership identity cards as "PRESS", as BAJ is not a media outlet. Officials claim that the organisation has thus violated the law on the media and its actions have led to the "unjustified use of the status

of a media outlet by members of this organization..."

The Justice Ministry believes that the operation of the Legal Centre for Media Defence at the Belarusian Association of Journalists "is not envisaged by the charter of the organization" and notes that the BAJ's goals stated on its website do not correspond to those listed in its Charter", the Justice Ministry wrote. The Justice Ministry ordered to revoke all the membership cards that have a

"PRESS" signature within one month, "to ensure that these cards are not used" in the future, and to correct other "violations.

BAJ's leadership said they would definitely appeal against this warning, which they described as groundless.

18/01/2009 **Source: ERB**

Elections to Local Councils of Deputies in Belarus to Take Place on April 25

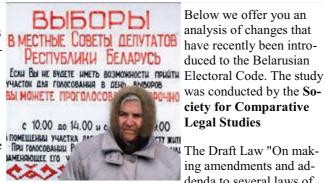
The Elections to Belarusian local councils of deputies are scheduled for 25 April 2010.

The territorial election commissions for the elections are to be formed by 29 January, Chairwoman of the Central Election Commission (CEC) Lydzia Yarmoshina

said in an interview with the ONT TV Channel.

According to Lydzia Yarmoshina, the CEC has prepared a set of documents on the forms of nominating candidates for the membership in the election commissions. The documents will be available for the electorate and political parties on 19 January. The elections to local Councils of Deputies are to take place in Belarus on 25 April 2010. Decree No. 21 "On the Elections to Local Councils of Deputies of the Republic of Belarus of the 26th Convocation" was signed by President of Belarus Alyaksandr Lukashenka on 18 January.

> 18/01/2010 Source: BelTA, ERB



A Belarusian woman near the billboard announcing election

Below we offer you an analysis of changes that have recently been introduced to the Belarusian ciety for Comparative **Legal Studies**

The Draft Law "On making amendments and addenda to several laws of the Republic of Belarus on elections and referenda" and the subsequent invali-

dation of the "Act on the Central Commission of Belarus for Elections and National Referenda" was introduced in the House of Representatives of the Republic of Belarus on November 24, 2009 by the President of the Republic of Belarus. It was reviewed during the first reading on November 30, 2009 and was planned to pass after the second reading on December 10, 2010. This analysis was prepared by the Minsk based legal think tank the Society for Comparative Legal Studies to cover the most important trends in the electoral legislation the change in legislation brings along with its impact on the electoral process.

Findings

For the first time in the history of sovereign Belarus a draft law takes into consideration suggestions of the OSCE / ODIHR, the Belarusian expert commu-

nity and civil society in the country. Changes and additions touched more than a third of all articles of the Electoral Code, while a number of additional articles were introduced. The draft law presented in the parliament can become a foundation for a more democratic electoral campaign in Belarus if relevant practice of its application is provided. Although significantly simplified the procedures for candidates nominating and their registration, the draft the principles of counting, summing up the elections and monitor the electoral process is not addressed. Additionally, the proposed rule of law is still not specific enough and leaves an opportunity for individual choice, not only for electoral commissions, but also to the authorities, giving the latter authority to organize and conduct elections.

On a general note, the authorities are one of the parties to the electoral process, interested in preserving the political alignment of forces in the country. Giving them significant power does not comply with the constitutional principle of equality of rights and in practice may again lead to elections that are inconsistent with the principles of true freedom and justice.

For the whole text please visit http://www.democraticbelarus.eu/

Public Advisory Council under Aegis of Presidential Administration May Resume Work

Aleh Hulak, chairman of the Belarusian Helsinki Committee and one of the participants of the council told BelaPAN that he had got an invitation to attend the next meeting of the Public Advisory Council under the Aegis of Presidential Administration.

Established on January 27, 2009 by consent of Alyaksandr Lukashenka, the Public Advisory Council consisted



Uladzimir Makey

of 30 members, including well-known critics of the government. The first meeting of the Council, which focused on the rules of procedure, was held on February 6. At a meeting on April 31, the Council discussed the development of the Bela-

rusian economy amid the current crisis. At its third meeting, which was held on June 17 at a correctional institution in Zhodzina, Minsk region, the Council

discussed the issue of death penalty.

Mr. Makey suspended the work of the council on November 12, 2009 linking the decision to media reports in which "certain opposition figures," including members of the Council, dismissed it as a sham and a decorative body.

20/01/2010

Source: BelaPAN

Customs Union of Kazakhstan, Russia and Belarus Starts Its Work

"The Customs Union of Kazakhstan, Russia and Belarus will strengthen our economy and will open new prospects", the President of Kazakhstan, Nursultan Nazarbayev, said in his speech to the nation on the New Year's eve, reports Kazakhstan's *Today* agency. The text of the presi-

dential address was published on the official site of Kazakhstan.

"We will be living in the Customs Union from January 1 together with Belarus and Russia. We will start the



Nazarbayev, Lukashenka and Medvedev

creation of the uniform economic space. It will strengthen our economy, will open new prospects, and will raise the quality of life of Kazakhstan citizens," the President of Kazakhstan said.

The Presidents of the EurAsEC

countries made the decision on creation of the Customs Union on October 6, 2007. In October 2008, Russia, Belarus and Kazakhstan created the Customs Union Commission.

Formation of the uniform customs territory assumes cancellation of customs borders between the Customs Union states and shifting all kinds of state control, except boundary, to the customs border of the union. It is planned that control will be cancelled starting from July 1, 2010 at the Belarus-Russian border and in Kazakhstan - from July 1, 2011. The uniform custom duties in the territory of three countries will come into force on January 1, 2010.

The customs code will start to work on July 1 of 2010.

05/01/2009 Source: gazeta.kz

Six State-Run Companies Removed from List of Enterprises Subject to Ownership Reform in 2010

The Council of Ministers, by its December 31 directive, removed six state -owned companies from the list of enterprises subject to reorganization into a stock company in 2010.

Four of the enterprises are controlled by the agriculture ministry, one by the transport ministry and another by the energy ministry.

The cabinet also added four agricultural enterprises, six transport companies and one energy company to the list.

In addition, the cabinet deleted four poultry farms from the list because they were reorganized into stock companies in 2009.

As many as 108 state-run enterprises were converted into stock companies in 2009 and 130 more companies are expected to undergo the same ownership reform this year.

11/01/2010 **Source: BelaPAN**

Foreign Investment Accounted for 1.4 % of Fixed Capital Expenditures in 2009

According to the National Statistics Committee, foreign investment accounted for 1.4 percent of all fixed capital expenditures in Belarus in 2009, down from 1.7 percent the previous year.



The investment totalled 616.1 billion rubels (US 216 million), a decrease of 4.3 percent compared with 2008, according to the Committee.

At the same time, loans provided by foreign banks doubled to 529.8 billion

rubels, accounting for 1.2 percent of total fixed capital expenditures.

Organizations' own funds increased by 3.3 percent to 16,395 billion rubels and accounted for 38.1 percent of all fixed

capital expenditures, consolidated budget funds fell by 9.2 percent to 9,420 billion rubels (21.8 percent) and bank loans went up by 36 percent to almost 11,300 billion rubels (26.3 percent).

Loans provided by other organizations

increased by 56.1 percent to 439.8 billion rubels, the population's own funds by seven percent to 2,605 billion rubels, off-budgetary funds by 59.5 percent to 159.2 billion rubels and other sources by 8.3 percent to 1,282 billion rubels.

Overall, fixed capital expenditures increased by 8.6 percent to 43,100 billion rubels (US 15 billion) in 2009 compared with 2008.

11/01/2010 **Source: BelaPAN**

Russia Beckons Belarus to Heel in Oil Supply Row

Russia is trying to bring Belarus to heel by threatening to cut at least \$2.5 billion in energy subsidies that prop up the economy of its ex-Soviet neighbour, analysts said.

Russia briefly cut oil supplies to Belarusian refineries this month in the dispute over Belarus's lucrative business in exports of oil products refined from Russian crude, again raising the specter of supply disruptions for EU customers.

But the rift, which helped push U.S. crude above \$81 a barrel on Monday, is about much more than energy subsidies.

At stake is the political future of Belarus, which is wedged between Russia and the European Union, and key Belarusian refineries that the Kremlin would like to see in the hands of Russian companies.

Analysts said Russia is using its energy might to bring Belarusian President Alyaksandr Lukashenka to heel after attempts by the former Soviet farm director to leverage dependency on Moscow with overtures toward European powers.

"Russia is playing hardball and bringing Belarus into line," said Chris Weafer, chief strategist at Uralsib Capital, a Moscow investment bank. "Lukashenka doesn't really have any options -- he has nowhere to go except Russia, and the Kremlin knows it."

Lukashenka, in power since 1994, admitted last month that he would face "political death" if he moved out of Moscow's orbit, though he has tried to build ties with the West since falling out with Moscow in 2007 over a hike in energy prices.

He has openly strained relations with Russian Prime Minister Vladimir Putin. The Kremlin was furious in June when Lukashenka snubbed a security summit in Moscow.

Belarus has long been isolated because the West said Lukashenka ran Belarus like a post-Soviet dictatorship, though the EU has now said it is willing to improve ties with Minsk.

OIL TRADING

The row with Russia centres on oil duties paid for millions of tons of oil that Belarus has imported from Russia with steep discounts.

Russia allowed Belarus to import oil for domestic use duty-free, while paying just 35.6 percent of Russia's crude export tariff for oil that is then refined and sold onwards.

Putin said Belarus can buy 6 million tons this year for domestic needs without paying duties, leaving 14.5 million tons of crude that Moscow says Minsk should pay at least the full \$267 a ton duty on.

That would amount to a hike of about \$2.5 billion in 2010, or about 5 percent of Belarus's \$50 billion economy, which is deeply dependent on the export of subsidised oil products.

"Oil products are one of the main sources of export income for Belarus," said Yaraslau Ramanchuk, the director of the Mizes think tank in Minsk. "Last year, oil products made up 37 percent of exports."

Russian Deputy Prime Minister Igor Sechin, who holds sway over the oil and gas sector of the world's biggest energy producer, warned on Monday that there was still no agreement on oil pricing with Belarus.

ENERGY POWER

By demanding such a painful hike in customs duties, Moscow could force Belarus to the negotiating table on a host of issues including the sale Belarusian assets to Russian companies.

Belarus has yet to decide whether it will sell a stake in the Naftan oil refinery to Rosneft (ROSN.MM), a state controlled Russian oil company whose board is chaired by Sechin, or LU-KOIL (LKOH.MM), Russia's second largest oil producer.

"Russian capital wants to get into the oil sector," said Alyaksandr Klaskousky, an independent political analyst in Minsk.

Russia has repeatedly clashed with its neighbors over energy pricing in recent years. A dispute with Ukraine last winter left EU customers without gas for almost two weeks in the dead of winter, severely straining ties with the European Union.

But Moscow views the disputes as a way to increase European Union interest in projects -- such as the expanded terminal in the Baltic Sea port of Primorsk and the North Stream gas pipeline -- which bypass transit states such as Belarus.

(Additional reporting by Dmitry Zdhannikov and Lidya Kelly in Moscow and Chris Baldwin in London; editing by William Hardy)

15/01/2009

Source: Reuters

Belarus-Russia Talks on Power Transit Postponed

Talks between representatives of the Belenerha state industrial association of Belarus and Inter RAO UES of Russia on issues of transit of Russian electric power to the Baltic countries and the Kaliningrad Region via the Belarusian territory, as well as supplies of Russian electric power have been postponed for an indefinite time, press secretary of the Ministry of Energy of Belarus Lyudmila Zyankovich told ITAR-TASS on Tuesday.

19/10/2009

Source: Itar-Tass