

**Brussels,  
8 June 2010  
Volume 13 pages**



**Belarus will contribute more than 2,000 troops to the security group's rapid reaction force.**

**In the 2011 Belarus' presidential election, Russian backing is not a foregone conclusion.**

**Inside this issue:**

<b>EU and Belarus: sharing knowledge in Brussels and Minsk</b>	<b>2</b>
<b>Belarus gears up for presidential election</b>	<b>3-4</b>
<b>Civil society and media</b>	<b>5-6</b>
<b>Official visits and deals</b>	<b>6-7</b>
<b>Finance and Commerce</b>	<b>8-11</b>
<b>Belarusian photographic art (the early age)</b>	<b>12-13</b>

# Belarus Headlines



*Belarusian experts on transport on the study-visit in the European capital. Brussels, 20 May 2010. Photo by ODB.*



*Round-table discussion "EU environmental policy and Belarus: Sharing knowledge" Olga Stuzhinskaya, Director of the ODB, left, Jean-Eric Holzapfel, Head of the EU Delegation in Minsk. 4 June 2010. Photo by ODB*

### EU Transport Policy: Sharing Knowledge with Belarus

On the invitation of the Office for a Democratic Belarus, a group of Belarusian experts on transport visited Brussels on May 17-21, 2010. The delegation that consisted of two former Ministers of Transport of the Republic of Belarus, Assistant Professor of Logistics and Pricing Policy of the Belarusian State Economic University, Head of the Auditing Department of "MinskTrans" – the largest public transport company in Belarus - and a Board Member of the Belarusian Union for Transport Workers participated in a training course: "EU Transport Policy: Sharing Knowledge with Belarus".

During the visit, the delegation had the chance to meet key European experts on transport, Belarus and the region and visit various EU institutions and regional and international

transport associations based in Brussels. They visited the Council of the European Union and the European Commission's Directorate-General (DG) for Transport and Mobility, DG Research and DG for External Relations. In addition, the delegation held meetings with representatives of the International Union for Public Transport (IUTP), the European Transport Safety Council (ETSC), the Head Office of European Cities and Regions Networking for Innovative Transport Solutions (POLIS), and the STIB, the largest Belgian urban public transport company.

The topics covered in the programme included the general workings of the EU Institutions and the current state of EU-Belarus relations, 7th Framework programme and specific opportunities in research on transport for Belarusian

scientists, transport planning and coordination in the EU, international transport relations, and presentations on the work of IUTP, POLIS, ETSC and STIB that should lay basis for future cooperation with these organizations. The Belarusian professionals and their European colleagues described the visit as successful and productive, as it enabled them to establish contacts and communicate their intention to engage in future cooperation. The participants discussed the possibility of organizing technical missions of the EU experts to Belarus, the drafting of several membership agreements and future involvement of the ex-ministers in high-level conferences.

21/05/2010

Source: ODB

### Round Table 'EU Environmental Policy: Sharing Knowledge with Belarus'

A round table discussion, entitled "Environmental policies of the European Union and Belarus: Sharing Experience" took place in Minsk, Belarus, on 4 May 2010. The event was organized by the Office for Democratic Belarus (Brussels, Belgium), in partnership with the Delegation of the European Union in Belarus. It is part of a larger programme, "Facilitating the European way of development for Belarus", which was launched in 2008 with the support from the Swedish International Development Cooperation Agency (SIDA) and the Ministry of Foreign Affairs of Denmark. Among participants of the event were representatives of Belarusian state authorities, non-governmental organizations working in the field of environment, and foreign diplomats. In his opening remarks, EU Charge d'Affaires in Belarus, Jean-Eric Holzapfel, noted that for the first time the European Commission and Belarus held expert-level discussions on environmental matters in February 2008. Since then, cooperation between the parties has been carried out through three main modalities - technical ex-

pert talks, a thematic platform within the Eastern Partnership initiative, and flagship initiatives and all other projects on environmental protection, including regional projects and the ongoing TACIS project titled "Support for sustainable development and the environment." Mr. Holzapfel further noted that Belarus is involved in such regional projects as "Waste management and data collection on the state of the environment", "Air quality management in eastern partner countries of the European Neighbourhood and Partnership Instrument" and "Promoting the implementation of the Kyoto Protocol. At the end of his speech, Mr. Holzapfel said that the European Union would continue striving to ensure high standards of environmental protection and is ready to assist state environmental agencies and civil society in Belarus in their efforts to protect the environment.

Head of the Department for International Cooperation and Information at the Ministry of Natural Resources and Environment, Alyaksandr Racheuski explained that today the Republic of Belarus is interested in aligning with the European require-

ments on protected areas and national parks. Belarus also considers the possibility of acceding to the 1979 Bern Convention on the Conservation of European Wildlife and Natural Habitats and the 2000 European Landscape Convention.

Regina Schneider, head of the Department of Communications at the European Environmental Bureau in Brussels, focused her presentation on the processes of interaction between NGOs and EU Institutions. In addition, participants received detailed information about the activities of the European Environmental Bureau.

The final panel discussion of the event was devoted to the issue of the development education and research in the field of environment. At present, the main tool of interaction with the EU in this area is the 7<sup>th</sup> Framework Programme. However, the results of Belarusian researchers' participation in competitions for funding from the European Commission leave much to be desired.

08/06/2010

Source: ODB

## Belarus Gears up for Presidential Election

By David Marples

Alyaksandr Lukashenka's support is waning - both domestically and from Russia - and he now looks the most vulnerable he has done for years. Yet the opposition's failure to unite behind a single candidate still seems set to hand him victory in the upcoming presidential election.

The Belarusian Constitution demands that the country must hold the next presidential election by February 2011. The incumbent president, Alyaksandr Lukashenka, has been in office for 16 years, and most residents, according to a recent opinion poll by Novak, would like to see "a new face." But can the opposition provide that candidate, and what are the main issues that preoccupy the electorate in the summer of 2010? [...]

The list of potential opposition candidates grows with each day. It includes, in addition to Milinkevich and Sannikau, the following: Yaraslau Ramanchuk, head of the research center Mises; Uladzimir Nyaklayeu, leader of the campaign "Speak the Truth!"; Ales Mikhalevich, former Deputy Chairman of the Belarusian Popular Front; Mikalay Statkevich, head of the Narodnaya Hramada Social Democratic Party; Syarhey Kalyakin, leader of the Party of Communists of Belarus; Uladzimir Kolas, Chairman of the Council of Belarusian Intelligentsia; and Vital Rymasheuski, Co-Chairman of the unregistered Belarusian Christian Democratic Party.

And this list is not exhaustive. On May 29, The Belarusian Popular Front held a Congress (Soym) and nominated party activist Ryhor Kas-tusyou as a candidate. On May 31, Yuri Hlushakou, Deputy Chairman of the Green Party, announced his candidacy on a platform emphasizing environmental concerns and opposition to the proposed nuclear power station planned on the border with Lithuania. In late May, the United

Civic Party's political council met and declared that its candidate would be economist Yaraslau Ramanchuk, rather than party leader Anatol Lyabedzka, who would serve as his Prime Minister should he be successful. Another candidate to emerge in late May was General Valery Fralou, formerly a leader of the Respublika faction in parliament. Fralou stated that he was entering the contest as the only pro-Russian candidate, but that his stance did not preclude good relations with the European Union or indicate a lack of concern for the interests of Belarus. Fralou also ran in the 2006 campaign but failed to collect the obligatory 100,000 signatures and was forced to withdraw.

It is likewise unclear whether Kazulin will throw his support behind Uladzimir Nyaklayeu or run again himself (that is to say, if not barred by the criminal record he acquired as a result of his detention after the events in 2006). Haydukevich too is likely to run again, though he is not a member of the opposition. His candidacy, however, would help to legitimize the election in the eyes of international observers. [...]

Lukashenka, who has stated that there are no major reasons why he would not run again, is facing some serious problems. A year ago, he was seemingly impregnable. Having outmaneuvered his critics and secured a suspension of the travel ban on most of his Cabinet to the European Union, he could be satisfied with the EU's invitation to Belarus to join the Eastern Partnership. He released the "last" political prisoner (Kazulin), permitted two opposition newspapers (Narodnaya Volya and Nasha Niva) to be sold at official outlets, and instructed Prime Minister Syarhey Sidorski to announce a new privatization programme to attract foreign investment. Lukashenka, so it appeared, had created new opportunities both for himself and his country that would permit it to break out of the Russian orbit, both politically and in terms of economic dependence.

However, the irascible leader could not maintain such a course. There have since been further arrests and harassment of opposition figures, especially of youth activists. On April 6, the pro-presidential

youth organization Belarusian Union of Patriotic Youth and war veterans assembled to picket the offices of Narodnaya Volya for "falsifying history" in an article about the Great Patriotic War. The regime has also targeted the Union of Poles and set up an alternative official organization, claiming to represent the country's 400,000 ethnic Poles. In these crackdowns, the government has deployed the militia and the KGB. The electoral prelude to the presidential elections — the municipal elections held on April 2 — frequently yielded farcical results, with pro-government candidates receiving totals reminiscent of the single-candidate Soviet years, and much of the voting taking place through advance polls.

The relationship with Russia has become pivotal. Lukashenka has used EU compliance to back up a defiant attitude toward Moscow. He has refused to recognize the break-away republics of Georgia, Abkhazia and South Ossetia. He signed the CSTO Treaty last year only after several delays. He has denounced Russian plans to build new pipelines to European consumers that would circumvent Belarus. He complains bitterly about Russia's introduction of duties on oil and oil products for Belarus (but not for Kazakhstan, the other partner in the Customs Union that formed earlier this year), and has negotiated an agreement with Venezuela for the import of oil, which will provide up to 5 million tons this year. All these issues suggest a tense relationship with Russia. Yet hitherto he has always had the assurance that in every new election campaign, he would have the backing of Moscow, which could also be relied upon to recognize the results.

In the 2011 presidential election, Russian backing is not a foregone conclusion. [...]

**Continued on p.4**



### Belarus Gears up for Presidential Election (continuation)



In a recent interview with Reuters news agency, Lukashenka also maintained that despite some cordial relations over the past year, "the West" is now waiting for the 2011 presidential elections, having failed to reciprocate Belarus' "hundreds, maybe thousands [of moves] a year". "What we will not tolerate," he said, "is for someone to order us around." The West, in his view, is asking too much of Belarus, such as privatizing factories at low cost or what he terms "breaking the constitutional system" of his country. In short, forthcoming elections have induced his old fears that Western countries will seek his removal and the victory of a more democratic candidate. And for once, they may have genuine support from Russia, which is overtly irritated with the lack of pro-

gress toward the Union State, a common currency, and a united front on military-security issues.

The key issues for electorate remain affordable housing and utility bills. Privatization of property has seen a marked increase in Russian real estate investment with a concomitant rise in prices and rents. Similarly many of the country's most lucrative businesses have fallen under Russian ownership.

Lukashenka still retains several significant advantages as the new election campaign begins. The Central Election Commission remains in the hands of his ally Lidziya Yarmoshyna. He controls the vast majority of the media, especially television. The militia, the KGB, and the armed forces remain

fiercely loyal and wield significant power. Parliament has one or two dissenting MPs, but the majority of deputies remain loyal to the regime (they have little power to change things in any case). The Constitutional Court likewise has been a rubber stamp body since late 1996. While the Ministry of Justice has legalized some political parties—the Movement for Freedom led by Alyaksandr Milinkevich is the best example—it has failed repeatedly to register others, most notably the Young Front and the Christian Democratic Party. The playing field, as before, is far from even.

02/06/2010

Source: ISN

Full text of the article can be found at [isn.ethz.ch](http://isn.ethz.ch)

### OSCE/ODIHR, Venice Commission Say Amendments to Belarusian Election Law Provide 'Mixed Response'

The amendments to the Belarusian election code provide a mixed response to the recommendations made by the OSCE Office for Democratic Institutions and Human Rights (ODIHR) and the Council of Europe's Venice Commission, the two institutions concluded in a joint legal opinion. The amendments introduced in January represent a step towards removing some flaws in the country's election legislation, but they are unlikely to resolve the underlying concern that the legislative framework for elections in Belarus continues to fall short of providing a basis for genuinely democratic elections, the document says.

"The amendments include a number of significant improvements which respond to some of the recommendations we made in previous election observation reports and during the

recent process of open and constructive consultations with the Belarusian authorities," said Ambassador Janez Lenarčič, Director of ODIHR.

But several areas need further elaboration or are not yet addressed at all, he added: "For example, the potential positive impact of some of the amendments risks being undermined by flaws in the counting and tabulation process which remained unchanged."

Thomas Markert, the Secretary of the Venice Commission, stressed that no legislation, however good it may be, can alone guarantee elections in line with international standards: "The quality of future elections in Belarus will depend not only on the quality of the legislation. Equally important is its implementation in good faith."

The legal opinion identifies a number of

new provisions that could lead to improvements in electoral practice. These include the easing of restrictions on candidate registration and campaigning, new safeguards for early voting and the possibility of appealing certain Central Election Commission decisions to the Supreme Court.

The opinion raises concerns related to appointment procedures for election commission members, including the absence of selection criteria. It also notes the lack of safeguards ensuring the integrity and transparency of the vote count and results tabulation. [...] In addition, there are no provisions mandating the election commissions at various levels to publish detailed preliminary and final results of the vote, by polling stations, without undue delay.

04/06/2010

Source: [osce.org](http://osce.org)

## Civil Society and Media Situation in Belarus (May—beginning of June)

### Freedom of Expression

Minsk, 15/05/2010, *The Associated Press*,  
*Radio Free Europe*



*The 'rainbow flag' being defiantly carried on the unauthorised Slavic Gay Pride march in Minsk. The photo was taken just before the riot police moved-in to try and arrest the participants. Photo by Kirill Nepomnyaschiy*

Belarusian police violently dispersed a gay pride parade banned by authorities.

Riot police broke up the demonstration and arrested several dozen participants, beating some of them and throwing them on the ground.

The organizers said that their goal was to attract public attention to the violation of sexual minorities' rights in Belarus.

Seven activists spent the weekend in police custody. They were all found guilty and fined for about \$6 each by the Belarusian court.

Previous gay pride parades in Belarus also have been banned by authorities and broken up by police.

### Court Verdicts

Minsk, 06/05/2010, *BelaPAN*, *Human Rights Centre 'Viasna'*

On 6 May 2010, the Supreme Court of the Republic of Belarus passed a verdict in the case of businessmen Mikalai Autukhovich, Uladzimir Asipenka, Mikhail Kazlou and Aliaksandr Laryn. Initially charged with several serious crimes, including preparing a terrorist act, Autukhovich, Laryn and Asipenka, were acquitted of most charges. However, the charges of possession of firearms and ammunition remained. Kazlou was charged under Article 425, part 2 of

the Criminal Code (inaction of an official). The investigation of this criminal case, according to the International Federation for Human Rights (FIDH) and the Human Rights Centre 'Viasna', was carried out with significant procedural violations.

Vitebsk, 14/05/2010, *svaboda.org*

Vitebsk Kastrychnitski Court sentenced activist of the Conservative Christian Party Siarhei Kavalenka under articles 339 (deliberate actions violating public order and expressing a clear disrespect for society) and 363 (resistance to law enforcement officers or another person, protecting public order) to three years of 'restraint of liberty' without sending in an open type correctional facility for posting a national white-red-white on the main Christmas tree in Vitsebsk on 7 January 2010.

Hrodna, 14/05/2010, *The Associated Press*

A court in authoritarian Belarus has sentenced two men to death for the murder of two women and a man during an armed robbery.

Belarus is the only country in Europe to practice capital punishment, the abolition of which European Union officials have named as a top priority for improved relations.

A court in Hrodna, 270 kilometres west of the capital Minsk, found the 28- and 29-year-old men guilty in the October killings and of stealing \$520 and torching the victims' house. Both men had prior convictions.

Statistics on executions, which Belarus conducts via firing squad, are kept secret. Rights activists estimate more than 400 have been put to death since the country gained independence in 1991.

Mahiliou, 25/05/2010,  
*European Radio for Belarus*

On 25 May, political prisoner Art-



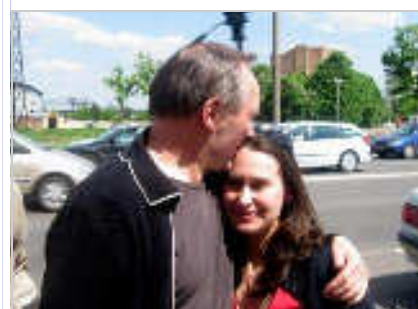
*Artiom Dubski out of prison. Photo by RFE/RL*

siom Dubski was released from a colony in Mahiliou. He was arrested on February 13, 2009 at the Belarus-Ukraine border. The young man was charged with having violated punishment rules. He had been tried over the notorious "Case of 14" and had to serve two years in exile in his home town of Asipovichy where he was registered. But after a new criminal case against him was opened, Dubski fled to Ukraine.

The global human rights watchdog Amnesty International recognised the participants of the "Case of 14" prisoners of consciousness in 2009.

### Freedom of Association

Belarus, 18-19/05/2010, *Human Rights Centre 'Viasna'*



*Uladzimir Niakliayeu after having been released from detention centre  
Photo by Zmicer Pankavec*

On 18-19 May 2010, in more than 20 cities and towns of Belarus, the police searched the private flats and offices of the activists of the civil campaign 'Speak the Truth'. As a result of these actions several dozen people were arbitrarily detained. The campaign leaders Uladzimir Niakliayeu, Siarhei Vazniak and Andrei Dzmitryeu spent three days in a detention centre in Minsk as suspects in a criminal case. Human rights defenders believe that the violent actions sanctioned by the authorities of Belarus are aimed at intimidating the activists of the campaign and personally Niakliayeu as one of the possible candidates in the forthcoming presidential election in Belarus.

Continued on p. 6

## Civil Society and Media Situation in Belarus (May—beginning of June)

### Freedom of speech

Minsk, 02/06/2010 *BelaPAN*



The private newspaper *Narodnaya Volya*, which is known for its sharp

criticism of Alyaksandr Lukashenka's policies, has received a third formal warning from the information ministry in six months.

The pro-opposition paper has been warned over a series of articles about the Soviet Union's Great Patriotic War against Nazi Germany that were published this past March, said the press office of the Belarusian Association of Journalists (BAJ).

The information ministry says that the

articles violated Article 4 of the Mass Media Law, which bans media outlets from disseminating false information. According to the ministry, the History Institute at the Belarusian National Academy of Sciences has found the articles to contain false information.

The ministry says that the articles discredited the Soviet guerrilla movement and the Red Army and led to a public outcry and street protests in front of the newspaper's Minsk office.

## Belarus: Talks, Official Visits

Minsk, 13/05/2010, *VOV News*  
**Belarus-Vietnam**



*An official welcome ceremony held for the Vietnamese leader in Minsk*

Vietnamese President Nguyen Minh Triet held talks with Alyaksandr Lukashenka in Minsk. The two leaders agreed to expand cooperation in producing MAZ automobiles, diesel engines, electric generators, pullers and heavy trucks in Vietnam, and boost cooperative ties in other fields, including culture, education-training, oil and gas, agriculture, banking, tourism, health care and labour.

Triet and Lukashenka also discussed regional and international issues of mutual concern, noting with pleasure that Vietnam and Belarus have cooperated effectively and supported each other at the United Nations, the Non-Aligned Movement and other international forums.

Following their talks, the two presidents signed a joint statement and witnessed the signing of a number of bilateral cooperation agreements, including an agreement on the protection of secret information and a framework agreement on agricultural cooperation between Vietnam's Ministry of Agriculture and Rural Development and the Belarusian Ministry of Agriculture and Food.

Other documents include a cooperation agreement between Vietnam's Ministry of Public Security and the Ministry of Emergency Situations of Belarus, an inter-government memorandum of understanding on mutual recognition of each other's market economy status, an agreement on information sharing and supervision of banking operations between the State Bank of Vietnam and the National Bank of Belarus, and a deal between Vietnam's Hoa Lac Hi-tech Park and the national Hi-tech Park of Belarus.

### Belarus-China

Beijing, 14/05/2010, *Xinhua*

On 14 May, Belarusian Minister of Defence Yury Zhadobin arrived in Beijing for a five-day official good-will visit. Senior military officials of China and Belarus vowed to work together to promote friendly cooperation between the

two armed forces.

The development of friendly and cooperative relations between the two armed forces will greatly promote and enrich bilateral relations, said Xu Caihou, vice chairman of China's Central Military Commission, in a meeting with Belarusian Minister of Defence Zhadobin.

### Collective Rapid Reaction Force

Minsk, 26/05/2010, *Itar-Tass*

Belarusian Defence Minister Yury Zhadobin presented for ratification in the parliament a document on Collective Rapid Reaction Force. He explained that the agreement was signed by Belarus in October 2009 "with the aim to unite the efforts of the CSTO member states to resist armed attacks and to counteract other challenges and threats." Ratification of the agreement "will give a legal basis for using Belarus' forces and means in the Collective Rapid Reaction Force," said Zhadobin. "There is a law regulating the responsibility and there are certain agreements on the cases where these forces will be used." "Some cases will be regarded by a presidential decree covering Belarus' participation in a separate joint operation"

Belarus will contribute more than 2,000 troops to the security group's rapid reaction force.



## Belarus: Official Visits and Meetings (continuation)

### Belarus-Ukraine

Homel, 31/05/2010, Interfax-Ukraine

First Vice Prime Minister of Ukraine Andriy Kliuyev and First Deputy Prime Minister of Belarus Uladzimir Syamashka have signed a joint action plan for the implementation of priority lines of the Ukrainian-Belarusian co-operation, which was drafted as a result of a meeting of the two countries' presidents in April 2010.

Kliuyev's press office reported this on Saturday. The document was signed following three hours of talks between the deputy prime ministers, which later involved the delegates of the two countries' governments, the press office said.

"The signed document has actually resolved a number of issues in bilateral relations, which have not been settled over the past years," Kliuyev said.

According to Syamashka, the adopted document will be the basis for the development of cooperation between the two states in the coming years. The press office didn't give any further details.

### Belarus-Azerbaijan



Baku, 03/06/2010, APA

On 2 May president Lukashenko arrived in Azerbaijan with an official visit.

Azerbaijani President Ilham Aliyev and his Belarusian counterpart signed

an agreement on agitation and mutual maintenance of capitals. They also signed a joint statement on the basis of outcomes of the negotiations. The statement noted that mutual capital was one of the main factors of economic cooperation. The presidents reached an agreement in energy, trade, heavy industry, machine building, agriculture, transport, communication and in other issues of mutual interest.

Intergovernmental agreements on cooperation in information technology, science and technology, cooperation agreement between Ministry of Labour and Social Security of the Republic of Belarus and Azerbaijan State Committee On Family, Woman And Child Problems, as well as cooperation agreement between the National Statistical Committee of the Republic of Belarus and Azerbaijani Accounting Chamber were also signed at the ceremony participated by the presidents.

### Belarus-Latin America

Minsk, Naviny.by 03/06/2010

A delegation of Belarusian government officials and businesspeople led by presidential aide Viktor Sheyman has left for a two-week tour of Latin America, the foreign ministry's spokesman, Andrey Savinykh, told reporters on June 3. The delegation began its trip with a visit to Cuba, which took place between May 27 and June 2,

The negotiations focus on Belarus' possible participation in the modernization of Cuba's oil refinery and power generation industries, as well as on the establishment of a company in Cuba to assemble Belarusian tractors, as well as maintenance and repair centres.

The delegation's next destination is Bolivia. It is also scheduled to visit Ecuador and Venezuela, said Savinykh. In these countries, the delegation will discuss the possibility of establishing bilateral cooperation in the oil and gas, mining, machine-building and construction industries, as well as possible deliveries of Belarusian drilling

equipment, vehicles, tractors, farm machinery and food, according to him.

Three tankers carrying 240,000 tons of crude oil destined for Belarus will arrive in Ukraine from Venezuela later this month, Ukrainian Transport and Communications Minister Kostiantyn Yefimenko told reporters on June 2. The volumes of further deliveries are not yet clear; they are subject to negotiation, *RBK-Ukraine* quoted the minister as saying.



### Belarus-Syria—Lebanon

07/06/2010, BelaPAN

On June 7 and 8, Belarusian Foreign Minister Syarhei Martynau is visiting Damask where he is scheduled to meet with Syrian President Bashar al-Assad, as well as foreign and trade ministers, said the press office of the Belarusian foreign ministry.

"The sides will discuss a wide spectrum of issues concerning bilateral cooperation, including the implementation of projects providing for the assembly of Belarusian buses, trucks and tractors, and cooperation within international organizations," the press office said.

On June 9 and 10, the Belarusian minister will visit Beirut. He will meet with President Michel Suleiman, the prime minister, the foreign minister and the parliamentary speaker to discuss the two countries' political dialogue, trade, economic cooperation, lending, investments, the intensification on interparliamentary ties and the expansion of cooperation within international organizations, the press office said.

### Lukashenka Gives Green Light to USD 2 Billion Belarusian Eurobond?

Belarusian President Alyaksandr Lukashenka on Saturday approved the issuing of Eurobonds worth two billion U.S. dollars.

The decree, posted on the national legal Internet portal, said the Council of Ministers had been authorized to implement in 2010-11 bond issues amounting to 2 billion



dollars, with a maturity of at least five years. In May 2009, Russia issued Eurobonds worth 5.5 billion dollars as it returned to the international capital markets for the first time since the 1998 financial crisis, the RIA Novosti news agency reported.

Belarus received billions of dollars from the International Monetary Fund (IMF), the World Bank and Russia over the past year as it struggled to deal with the aftermath of the global financial crisis. The World Bank and the IMF said Belarus had exited the recession and believe its economy would grow by 11 percent this year.

15/05/2010

Source: People Daily

### Belarus May Attract USD 3 Billion in FDI in 2010

Belarus wants to attract as much as \$3 billion in investments from abroad this year to fuel economic growth, Economy Minister Mikalai Snapkou said.

"We have every reason" to expect that amount of foreign direct investment, Snapkou said in a May 15 interview in Zagreb on the sidelines of the European Bank for Reconstruction and Development's annual meeting. "We would like to see investments, first of all, into energy and infrastructure. This year's task is to restore the economic growth we had before the crisis."

The former Soviet republic, which separates Russia from the European Union's Baltic region, would raise that money through a state-asset sale program that is calculated to raise 2.7 trillion Belarus rubles (\$925 million), he said.

Belarus, a country of 10 million people with an economy the size of Sudan's, is trying to lure investors by selling companies and Eurobonds to help meet its financing needs and wean itself off foreign rescue funds. Belarus received a \$3.5 billion International Monetary Fund bailout loan last year, which it won't extend, according to Snapkou, and additional

funds from the World Bank and neighbouring Russia.

Belarus will keep working with the IMF after ending its standby program, Snapkou said. The country "will take into consideration the IMF's recommendations," while "for the time being, Belarus will not ask for more IMF loans."

#### IFC, World Bank

The country plans to borrow \$250 million from the World Bank and \$100 million from its financing arm, the International Finance Corp.

Russia's neighbour and trading partner expects its economy to grow by as much as 12 percent this year, after expanding 6.1 percent in the first four months of 2010, Snapkou said. The main drivers of economic growth are industrial production and exports because of the global recovery, he said.

The inflation rate in Belarus will average between 8 percent and 10 percent this year and the current-account deficit will represent between 6.5 percent and 7 percent of gross domestic product, Snapkou forecast.

The Belarus government has announced it plans to sell government bonds to help cover costs and increase



Belarusian Minister of Economy Mikalai Snapkou

the amount of foreign investment. The state budget deficit will be 1.5 percent of GDP this year and between 1 percent and 1.2 percent of GDP next year, Snapkou said.

President Alyaksandr Lukashenka on May 15 approved a plan to sell \$2 billion bonds of five-year euro-denominated bonds to international investors, the government said. External state debt will increase by \$1.5 billion to \$11 billion as of the end of this year, according to the government.

OAQ Sberbank, Deutsche Bank AG, Royal Bank of Scotland Plc and BNP Paribas SA will manage the sale, Russian news service RIA Novosti reported on 17 May.

17/05/2010

Source: Business Week



## How Far Can Minsk Go for Cheaper Energy?

To lower the price of Russian energy Belarus has tried pleas, threats, promises, and blackmail. Minsk set lowering the cost of imported energy as a condition to joining the Customs Union with Russia and Kazakhstan and last week went as far as to offer to give Russian firms control over its energy assets.

Having accused Russia of trying to subdue Belarus by acquiring its key industrial assets, Minsk is nevertheless ready to cede control of the gas pipeline operator Beltransgaz (of which Russian Gazprom already owns 50%) and the Mazyr oil refinery in return for oil and gas supplies at Russian domestic prices.

Igor Sechin, Putin's deputy in charge of energy, was not thrilled with Al-

*"If the energy issues are as important as Belarus' efforts on that front suggest, then it is definitely not in Minsk's interest to cede control of this important strategic asset to Russia."*

yaksandr Lukashenka's proposal. Sechin said Belarus would have to clear its outstanding debt of \$200 million before any deal can be considered.

All these last-ditch efforts not to pay the true cost of energy would do is allow Belarus' Soviet-style economy to continue in its tracks without a serious reform until the next energy crisis hits. While without the duty-free oil and gas, joining the Customs Union hardly makes economic sense for

Minsk, there is even less economic sense in ceding control of Belarus' energy infrastructure.

Everything has a price: if not paid right away, then paid later — with interest. Unless they are willing to trade their independence for a temporary discount, states have to buy energy at the

global market costs. Looking back at Minsk's numerous attempts to get on brotherly terms with Moscow hoping for some nepotistic economic relationship, one sees that the struggling Customs Union project may well be the beginning of the end of several unsuccessful integration projects in the post-Soviet space, including the Union State between Russia and Belarus and their single economic space.

If the energy issues are as important as Belarus' efforts on that front suggest, then it is definitely not in Minsk's interest to cede control of this important strategic asset to Russia, even if "for decent money," as the Belarusian President hopes.

The loss of control over its energy transit and refinery system will result in the loss of the only bargaining chip Minsk has while securing Russia's gas supply routes to the European market.

31/05/2010

Source: Belarus Digest

## Belarus Snubs Custom Union but Continues Talks

Russia and Kazakhstan said Friday that they planned to join the WTO together, but without Belarus, which snubbed a meeting on their trilateral customs union after Moscow ignored President Alyaksandr Lukashenka's offer to trade Belarusian energy assets for lower fuel prices.

The prime ministers from Russia, Kazakhstan and Belarus had been scheduled to meet in St. Petersburg on Friday to sign documents on their customs union, which enters its second stage July 1. Prime Minister Vladimir Putin cast doubt on the deadline earlier in the week, saying 18 additional agreements needed to be signed.

Belarusian Prime Minister Syarhei Sidorsky skipped the meeting because of "the current ongoing disagreements on some principal mat-

ters," spokesman Alexander Timoshenko told Interfax on Friday.

Despite the snub, Putin said Minsk was still welcome to join the customs union. But Moscow and Astana are ready to proceed with the union and accession talks to the World Trade Organization without Belarus.

"Of course, if we apply bilaterally as the customs union, it will be easier than if we applied trilaterally," Putin said during a news conference with his Kazakh counterpart, Karim Masimov. "The more sides participating in the process, the more problems. Because every state is protecting its economic interests."



After the first stage of the customs union formally came into force Jan. 1, Russia cancelled a 36 percent discount on its oil export duty for Belarus. The move raised costs for Belarusian plants that refine and re-export Russian oil.

In return, Moscow dropped the duty altogether for 6.3 million metric tons of oil that Belarus needs for domestic consumption. But even the resulting \$1.8 billion windfall could not cover the lost revenue for Belarus, which analysts estimated at \$5 billion to \$6 billion per year, or more than 10 percent of the country's entire economy.

Continued on p. 8

## Belarus Snubs Custom Union but Continues Talks

"Since January, Minsk was deprived of a big part of its revenue, which makes it economically unfeasible for Minsk to proceed with the trilateral customs union," said Yaraslau Ramanchuk, head of Mises Center, a Belarusian liberal think tank.

Lukashenka created a small sensation ahead of the Friday meeting when he said he was ready to sell control in Beltransgaz, which operates the Belarusian gas transportation system, to Gazprom in exchange for cheaper gas.

"I'm not opposed [to selling Beltransgaz] if they say that they will supply gas to Belarus at the internal Russian prices in exchange," Lukashenka said Thursday, Interfax reported. "If it is on equal terms, then [let them] take the controlling stake."

He also offered up the Mazyrsky oil refinery, one of the two plants that refines Russian crude, in exchange for oil at Russian domestic prices.

Belarus controls almost 43 percent of the refinery directly and another 12.3 percent through a state-owned company, Interfax reported. Slavneft, a 50-50 joint venture between TNK-BP and Gazprom Neft, owns about 42.6 percent.

Deputy Prime Minister Igor Sechin poured cold water on the idea Friday, saying he saw no economic reason for Russia to raise its stake in Beltransgaz, which is already half-owned by Gazprom. Russian Energy Minister Sergei Shmatko had called the idea

"interesting" late Thursday, but noted that it would not solve Belarus' debt problems.

"We think that we overpaid even for the 50 percent" Gazprom already owns, Sechin said, referring to the \$2.5 billion it paid in 2007 after a dispute over gas transit disrupted supplies to Europe.

Canceling export duties for Belarus would cost Russia \$4 billion on gas and \$12 billion on oil over the next four years, Kommersant reported Saturday.

Gazprom will not cooperate with Belarus until its debt is paid, spokesman Sergei Kupriyanov said Friday. Minsk owes the gas export monopoly \$192 million because it is paying \$150 per thousand cubic meters of gas, instead of the contract price of \$169 in the first quarter and \$184 in the second, he said.

Although Moscow has been pushing for control of Ukraine's gas pipelines, which deliver about 80 percent of its gas exports to Europe, Beltransgaz is not a particularly appealing asset, analysts said.

"With the ongoing construction of the North Stream and South Stream pipelines, the value of the Belarusian gas transportation system is decreasing, and Gazprom is unlikely to increase its stake at the moment," Ramanchuk said.

Lukashenka was faking generosity by offering useless assets to get valuable discounts, he said. "It looks like Moscow will keep on increasing economic pressure on Belarus, and Lukashenka will keep on opposing, which would in

the long run weaken his regime."

Andrey Savinykh, spokesman for the Belarusian Foreign Ministry, told reporters on Thursday [3 June] that Belarus continued talks with Kazakhstan and Russia in an attempt to settle differences with Minsk expectations the negotiations to be a success.

"The Belarusian position remains unchanged," Savinykh said. "We are strong advocates of integration, and we continue to comply with agreements concluded on the trilateral basis."

The House of Representatives ratified a package of the international documents within the Customs Union of Belarus, Russia and Kazakhstan on 4 June.

The draft agenda of the session included eight bills on ratification of agreements and protocols which covered the Customs Union. Among them were three protocols on taxation: the amendments to the agreement on the principles of levying indirect taxes in the export/import of goods, works and services in the Customs Union signed on 25 January 2008, the order of levying indirect taxes and control over their payment in the export/import of goods in the Customs Union, the order of levying indirect taxes in the works and services performed in the Customs Union.

31/05-04/06/2010

Source: The Moscow Times,  
BelaPAN, BelTA

## Russia Raises Export Duty on Oil, Petroleum Products

Russia has raised the rate of export duty on crude oil from \$284 to \$292.1 per ton.

The duty rate has also been increased from \$203.7 to \$209.1 on light petroleum products and from \$109.7 to \$112.7 on dark petroleum products.

An interstate agreement signed in 2007

requires Belarus to apply the same export duty rates to oil and petroleum products as Russia.

Russia says that it updates the rates depending on the world market situation.

Under an agreement enacted in February, Belarus is to receive this year 6.3 million tons of Russian oil duty-free for

domestic consumption, but the rest of the amount to be supplied to Belarus is to be subject to the full export duty rate unless the resulting petroleum products are brought back into Russia.

02/06/2010

Source: naviny.by

## Deutsche Bank Delegation to Visit Belarus to Discuss Asset Management

Senior officials of the Belarusian State Property Fund of the State Property Committee and representatives of the risk management consulting group of

Deutsche Bank will discuss the cooperation in asset management and restructuring.

The German delegation will include

### Deutsche Bank



the chairman of the board of Deutsche Bank Joerg Bongartz and directors of several departments of this bank.

Deutsche Bank is Germany's biggest bank making part of "the big troika" of

private banks. It was founded in 1870. It includes commercial, mortgage, investment banks and leasing companies. The headquarters are located in Frankfurt am Main. The bank's clientele is 13 million. It operates over 15000 branches in Germany and numerous offices in 76 countries.

02/06/2010  
Source: BelTA

## Three Companies Granted Belarus' Investment Agent Status

Three companies have been given investment agent status to "represent Belarus' interests" in drawing investment.

The Minsk-based Uniter investment company and two global professional services firms, KPMG and Ernst & Young, became Belarus' first investment agents.



The Council of Ministers issued a directive to this effect on June 1, said the cabinet's press office.

By his August 6 edict, Alyaksandr Lukashenka entitled legal entities and entrepreneurs, including non-residents, to apply for "the right to represent

the interests of the Republic of Belarus in drawing investment."

The companies were granted the status for the period until December 31, 2010.

Under the cabinet's directive, the State Property Committee, the industry ministry and state petrochemical conglomerate Belnaftakhim will cooperate with the investment agents under the agreements.

03/06/2010  
Source: naviny.by

## Russia, Belarus to Hold Talks on Customs Union

Belarus has agreed to hold high-level talks with Moscow on joining a Russia-dominated customs union, the Kremlin said on Monday, after Russia and Kazakhstan launched the bloc without Belarus.

The bloc is expected to boost Moscow's influence in the region but could complicate World Trade Organisation membership talks. Belarus



dropped its plans to join amid a dispute with Moscow over oil tariffs.

Belarusian President Alyaksandr Lukashenka on Monday called Russian Presi-



dent Dmitry Medvedev and agreed to continue discussion of the customs union at high-level bilateral talks due to take place in the coming days, the Kremlin said in a statement.

Negotiations on Belarus' membership stalled as Russia refused to abolish export duties on the oil it sells Minsk. Analysts view duty-free oil exports as a key incentive for the former Soviet republic to join the pact.

08/06/2010  
Source: Interactive Investor



## The early age of Belarusian photographic art

For most of us today, photography is merely a process of capturing the routine of our daily lives. Photo cameras are squeezed into tiny mobile phones and internet social networks encourage us to share hundreds of photos with just a couple of clicks. The art of 'drawing with light' (for which the word photography actually stands) has turned into the skill of pixel-shuffling.

How different it was a century ago!

A photographer was almost a magician. He not only captured reality, but, having hidden himself under a black coat, created a whole new universe with the help of his magic tripod-mounted box. A photographer's studio resembled a theatre scene. Its walls were decorated with landscape paintings and the floor often strewn with leaves or sand in order to create the atmospheric illusion of real space.

As photography set out on its triumphal march across the globe, photo studios began to appear in cities and towns on Belarusian lands. At that time, Belarus was part of the Russian empire, the land, where various cultures – Belarusian, Polish, Lithuanian, Jewish, and many others – mixed under the influence of the Russian power. Since photographers deal with images, not words, it is all the more difficult to determine which cultural tradition they adhered to, even though they lived and worked in Belarus. Anyways, let us discover some interesting names of photo pioneers, who captured everyday life on Belarusian lands with their lenses.

In these times, it was difficult to tell

photo art from mere handicraft. Also, photography was a rather elitist hobby. Equipment was very expensive and had to be ordered from abroad. An aspiring photographer had to possess a high level of technical knowledge and artistic taste. Moreover, masters strictly guarded their secrets. That is why a young photographer had to figure out the details of photographic process all by himself. As a result, first photographers working in Belarus were, mostly, people of aristocratic origin, keen intellect, and considerable wealth.

There is hardly any student in Belarus, who has never seen the famous photograph of Kastuś Kałinoŭski, leader of the 1863-1864 anti-Russian uprising on Belarusian lands. It shows a sturdy man with a heavy jaw and determined look in his eyes. However, hardly anyone knows that it was one of the first photographs taken in Belarus. Its author is Achille Banoldi, a bright personality so typical of the early masters of photography.

Achille Banoldi was born into an Italian-origin family in Barcelona. He was an opera singer, dance master, and photographer. In 1842 he moved to Vilnia (Vilnius), where he got fascinated by the anti-Russian liberation movement. Banoldi's photographic studio in Vilnia secretly hosted a printing shop for leaflets of Belarusian patriots. After the uprising had been crashed, Achille

Banoldi emigrated to Paris, where he stuck to his interest towards photography and dissent: he even fought on the barricades during the Paris Commune.

It is no wonder that we learn about another prominent Belarusian photographer, Duke Prušynski, from a police report, filed to the office of the Tsar-



*Kastuś Kałinoŭski by Achille Banoldi*

appointed governor of Minsk in 1861. The report claimed, that "the photograph Duke Prušynski ordered a mass at the local catholic cathedral" in order to commemorate the 1831 anti-Russian



*Vilnia by Jan Bulhak*



*A Belarusian woman by Bieniedykt Tyškiewicz*

uprising. A revolutionary anthem and a prayer to the slain brethren have been sung during the church service.

## The early age of Belarusian photographic art



*The panoramic view of Vilnia by Albert Šviajkoŭski*

“Duke Prušynski is the author of yet another photographic portrait, widely famous in Belarus – that of Vincent Dunin-Marcinkievič. Vincent was a Belarusian playwright, who wrote successful comedy plays in the Belarusian language, which helped to create solid grounds for modern Belarusian literature. The writer is captured wearing a čamarka - a coat of hand-woven fabric with dark stripes on his chest, which was *en vogue* among the anti-Russian insurgents.

It is owing to the liberal worldview of the early Belarusian photographers, that the valuable portraits of famous historical and cultural personalities have been preserved (by sad irony, police mug shots would be another important photographic source).

Along with studio portraits, landscape and architecture photography was another important element of the emerging art of light drawing. The panoramic view of Vilnia is, arguably, the oldest known Belarus-related photograph, created around 1850s by Albert Šviajkoŭski.

Jan Bulhak, born in 1876 in Astašyn, a small estate near Navahradak in western Belarus, was one of the photo pioneers of the land. Today, at least three modern nations claim the right to call his heritage their own – Belarusian, Polish, and Lithuanian. Jan Bulhak was born in Belarus, he wrote his essays in Polish, and the most fruitful period of Bulhak’s life was spent in Vilnia, where he created a series of urban cityscapes on the order of the city’s government in 1912-1915. This project resulted into a comprehensive photo archive of the city. The whole Vilnia on photos, street after street, house after house, window after window – something similar to what Google Street View aspires to do on a

global scale (albeit with far less artistic ambition). Unfortunately, 30,000 of Bulhak’s Vilnia negatives (just comprehend the scope of the loss!) have been destroyed in 1944 by a fire during World War II. However, even the remaining negatives are impressively numerous. Jan Bulhak also extensively traveled across the territory of western Belarus and captured many landscapes of our country with his camera.

Today, Jan Bulhak’s former estate in Astašyn, which is still in a relatively good shape, has been acquired by a local Belarusian entrepreneur, who plans to convert it into a center of tourism and photography, commemorating the great master.

Another prominent father of Belarusian photography is Bieniedykt Tyškievič (we have already written about him in <http://democraticbelarus.eu/node/7754>). He was a very wealthy and rather eccentric aristocrat. He preferred balls to travels and became one of the first masters of photography in the world. Tyshkevich rented ships in order to travel to India, China, and Japan. He had estates all over the world, but the one in Naliboki Forest in central Belarus was his favourite. There he built a large studio and a photo laboratory. People from nearby villages became photo models for Bieniedykt Tyškievič.

However, the age of steam and steel was giving way to the age of electricity. From an elitist pastime of tech-savvy aristocrats, photography was turning into an art for the masses. This was also true for Belarusian photography.

It is necessary to mention, that Belarusians contributed directly to the progress of photography. In 1882, Zyhmunť Jurkoŭski, photographer from the eastern Belarusian city of Viciebsk, invented the first focal-plane shutter,



*Vincent Dunin-Marcinkievič by Duke Prušynski*

which enabled cameras to shoot photographs in an instant. It revolutionized the photo process – the models no more needed to spend long minutes immobilized in front of the camera. However, at that time the international patent system was far less guarded than it is today. In 1890s western firms began to produce the Jurkoŭski-type cameras on a mass scale, and his name soon sunk into oblivion. By the way, Jurkoŭski also wrote studies on the usage of photography in criminology, which proves that he was a real visionary in the field.

The new age promised new opportunities and challenges for photography and its adepts.

To be continued

**By Ales Kudrytski for the ODB**