Brussels, 15 June 2010 Volume 17 pages



A. Lukashenka to Visiting Stefan Fule:

"You will wait and see how the election turns out ... I would like to warn you against any excessive hopes in this connection."

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Belarus Headlines



Seminar "Interaction between Labour Market and Education in Belarus", 24 June 2010. Photo by ODB.



The Battle of Grunwald or 1st Battle of Tannenberg was fought on July 15, 1410, during the Polish–Lithuanian–Teutonic War. The alliance of the Kingdom of Poland and the Grand Duchy of Lithuania (Modern Belarus, Lithuania and partially Ukraine), led respectively by King Jogaila (Władysław Jagiełło) and Grand Duke Vytautas (Witold), decisively defeated the Teutonic Knights, led by Grand Master Ulrich von Jungingen.

Seminar "Interaction between the Labour Market and Education in Belarus" Takes Place in Minsk

On 24 June 2010, the European Training Foundation, in cooperation with the Delegation of the European Union to Belarus and the Office for Democratic Belarus (Brussels, Belgium), organised a joint seminar entitled "Interaction between the Labour Market and Education in Belarus". The aim of the event was to present an independent study conducted by the European Training Foundation and to further discuss it with the experts from local government institutions, such as the Ministry of Labour and Social Protection, and local and regional NGOs.

The objectives of the study were the following: an assessment of trends specific for transition period in Belarus, the analysis of development and employment policy, national eco-

nomic and educational policies, an overview of other important topics for further development that require discussion and elaboration.

The panellists included
Jean-Eric Holzapfel (Head
of Delegation of the European Union to Belarus),
Olga Stuzhinskaya
(Director of the Office for
a Democratic Belarus), Svetlana Matskevich (Agency for Humanitarian
Technologies), Timo Kuusela
(Regional Manager for Belarus, European Training Foundation), Andrey
Yahorau (Director of the Centre for
European Transformations) and Igor
Pelipas (IPM Research Centre).



The event, which attracted the attention of local media, was supported by the Swedish International Development Cooperation Agency (SIDA) and the Danish Ministry of Foreign Affairs.

24/06/2010

Source: ODB

Conference of National Civil Society Forum 2010 in Minsk

Belarus' National Civil Society Forum held its conference in Minsk on 5-6 July.

The National Civil Society Forum has brought together representatives of different NGOs from all over the country. The meeting aimed at elaborating general strategy for Belarus' participation in the Eastern Partnership Civil Society Forum (CSF) in Berlin and developing proposals on further actions within the EaP. Another task of the conference was to pick up public organisations for participation in the general CSF.

The Forum discussions focused on the following topics:

evaluation of the EaP initiative progress;



- the role of civil society in the EaP:
- priorities for further participation in the Eastern Partnership initiative.

In his report Ulad Vilalichka, CSF National Coordinator for Belarus, underlined a generally successful and rather active civil society engagement in the process. At the same time, he pointed out several negative trends, such as a lack of contact with the authorities, poor public awareness of the EaP initiative, and inadequate resource base of CSF structures.

Civil society representatives called Belarus' steps and activities within the framework of the EaP insufficient and decided to propose to the Public Consultative Council under the aegis of the Administration of the President to include the issue of EaP in the agenda of one of the forthcoming meetings.

Conference participants agreed on the main objectives for Belarus' civil society and set forth the priorities for each thematic platform of the EaP. These priorities will serve as reference points for the "road maps", which will be worked on further after the Conference.

06/07/2010

Eurobelarus.org, ODB

Dear Reader,

For your attention we offer the following analytical paper on the energy security of Belarus. This research has been conducted in the framework of the project Energy Club which is being jointly run by the Office for Democratic Belarus ((ODB) Brussels, Belgium) and the Belarusian Institute for Strategic Studies ((BISS) Vilnius, Lithuania) under the patronage of the European Union representation to Belarus and the support of the Swedish International Development Agency (SIDA) and the Danish Ministry of Foreign Affairs.

Energy Security of Belarus. Stereotypes, Threats, Trends

By Alena Rakava for the ODB



The issue of energy security is on the agenda of many countries. However, the policy debate on this issue often focuses on the issue of reducing a country's energy *dependence* rather than energy *security*. In any case, both dimensions seem to be of equal relevance to Belarus.

The scale and the magnitude of the energy security challenge has been recognised by the Belarusian government. Its efforts to address the challenge have hitherto concentrated on modernising the energy sector and reducing energy consumption. However, the implementation of this policy has been hampered by a lack of financial resources and sectoral reforms and by the non-market status of Belarus' energy enterprises and the legal framework governing relations in the energy sector. What is therefore required is a comprehensive sectoral reform that would involve private investors as well as technical assistance from international organizations.

There is no doubt that Belarus needs to intensify its cooperation with neighbouring countries. At the same time, enhancing energy security through the construction of a nuclear plant by a Russian contractor, and using Russian credit resources, does not seem to be a viable option.

The main factors that weaken the energy security of Belarus are:

• low availability of internal energy resources (85% of all energy resources is imported, of which 95-

98% is imported from Russia);

- high share (approximately 60%) of natural gas in the balance of the country's energy consumption (e.g. local fuels account for about 10%). Natural gas is used for the production of 95% of heat and electricity;
- high energy intensity of the economy;
- high degree of wear in the energy complex;
- high costs of importing energy both because of the high energy intensity, and because of the gradual transition of the country to international prices.

In October 2007, Belarus has approved the new concept of energy security and the state programme. Earlier documents were approved in 2005. However, according to the official point of view, the old concept is outdated because of the changed parameters of cooperation between Belarus and Russia in the field of energy. The country needed to reduce energy dependence on Russia, and new instruments are designed to respond to new challenges.

The focus of the state programme is **on three areas:** increased use of local energy resources, modernisation of fixed productive assets (FPA) in the energy sector and energy efficiency.

It is no secret that the Belarusian economy is on the one hand characterised by low energy efficiency (i.e. high energy consumption per unit of GDP), while on the other by high (albeit unused) capacity to reduce the costs by lowering energy consumption. For example, in 2005, in Belarus, 0.48 kWh was required to produce US\$1 of GDP, while in the OECD countries this amount was 0.3 kWh (GDP 2000).

Belarus has made some important steps in the right direction. The energy intensity of GDP has indeed declined, but it is still higher than in Western countries. At the same time, the progress in decline gradually decreases. [...]

The state programme represents correct and comprehensive attempts to respond to modern threats and challenges. However, its implementation is hampered by a chronic problem, which is the lack of funds.

The solution to this problem is impossible without the reform of the entire energy and utilities sectors. This however is not yet on the agenda of the government.

The Construction of Power Plant

The involvement of nuclear fuel in the energy balance will, according to the official point of view, increase the country's economic and energy security (The consumption of gas and the cost of the production of electricity will decrease, as nuclear energy is cheaper than gas). It is assumed that with the construction of a nuclear power plant Belarus will be able to annually replace 5 billion cubic metres of gas (20%) and increase the export of its own energy resources.

Experts, however, have some concerns:

growth of external debt of the country: it is assumed that to build a nuclear power plant Belarus will take from Russia a credit amount of US\$9 billion, while the country's external debt increases at critical rate;

- competitiveness of the electricity produced at current gas prices and the cost of servicing the loan;
- the possibility of selling electricity for export: a number of nuclear power plants are going to be built in the region (Kaliningrad, Lithuania, Poland and Estonia);

strengthening the energy security of the country: the growing dependence on Russia as a supplier of fuel and the creditor is unlikely to strengthen the energy security of Belarus.

To see the full text, please, visit

http://democraticbelarus.eu/files/docs/ Energy%20Security%20of%

To Engage or Not to Engage: The Policy Dilemma of Dealing with Belarus





By Pavol Demeš, Sabine Fischer

How to deal with Belarus, along with the question of whether to engage or seek to isolate the regime of Alyaksandr Lukashenka has been a bone of contention in policy debates across the Atlantic. In 2008 the European Union concluded that the previous policy of isolation had failed, and it shifted to a policy of engagement. That policy, however, has thus far borne little fruit. Sabine Fischer nevertheless argues that Belarus has no option in the long term but to deal with the EU, and that Brussels should show strategic patience and continue a long-term policy of multilateral engagement. Pavol Demes argues that it is time to realize how President Lukashenka has outmanoeuvred the EU, and time to shift to a policy that places more emphasis on civil society as a motor of future change.

By Sabine Fischer *

Two years ago, in 2008, the European Union switched its policy course on Belarus. Frustrated with the lack of progress of its previous policy of isolation, it moved to engage with Belarus and the regime of Alyaksandr Lukashenka. That policy has not led to the kind of success or improve-

ments that were hoped for. However, it would be a mistake to conclude that the only viable policy option in the face of the frustrating developments that ensued is a return to coercive diplomacy and isolation. This paper contends that further isolation of this eastern neighbour is dangerous and not in the interest of the EU. As will be argued below, Lukashenka's search for a third way between Moscow and the West has no chance of succeeding. At the end of the day, the EU is Belarus' only alternative when it comes to finding a more balanced position in Europe and to modernizing the Belarusian economy.

Therefore, the EU should exercise strategic patience and continue to develop a multifaceted policy of engagement toward Belarus.

The EU needs to do so in spite of the fact that things are clearly not improving in Belarus. Local elections held on April 25 have dashed hopes that Minsk would finally allow for a freer and fairer ballot. A few steps were made in this direction at the beginning of 2010 by changing the electoral law, admitting more opposition representatives to the electoral commissions, and liberalizing the registration of candidates as well as the conditions for the election campaign. This proved to be a smokescreen, however, and the election turned out to be heavily manipulated. Repression of opposition candidates and pressure on independent media were reported. Moreover, new legislation - notably the entering into force of a new law on political parties and a decree on the regulation of the national segment of the internet — provided the government with more tools to diminish dissident political forces' manoeuvring space. Since autumn 2009 pressure on civil society organizations has increased, possibly due to the active role of Belarusian participants in the Eastern

Partnership Civil Society Forum, which met for the first time in November 2009.

By Pavol Demeš*

Due to ongoing and serious violations of human rights committed by the Lukashenka regime, in April 2010 the Parliamentary Assembly of the Council of Europe decided to suspend high-level contacts with the authorities in Belarus. This decision reinforced the conclusion that the European Union's previous policy of engagement with President Alyaksandr Lukashenka had failed to lead to liberalization of his autocratic regime or real cooperation with the community of democracies. That policy of engagement was launched almost two years ago, in 2008, when European Union leaders, responding to the release of internationally recognized political prisoners, suspended sanctions imposed against key figures in Minsk. Member states, together with the new post-Lisbon EU representatives, will review their policy toward Belarus in the fall of 2010, but most observers doubt they will re-introduce strict conditionality toward the Belarusian regime.

For the full text, please, visit:

www.gmfus.org

"Dr Pavol Demes" is director for Central and Eastern Europe at the German Marshall Fund of the United States. Dr Sabine Fischer is a senior research fellow at the European Union Institute for security Studies in Paris where she deals with the European Union's eastern neighbourhood and Russia. The views expressed here are those of the authors and do not necessarily represent the views of German Marshall Fund of the United States (GMF).

Source: gmfus.org

Stefan Fule Pays Visit to Minsk



The European Commissioner for Enlargement and Neighbourhood Policy Stefan Fule visited Minsk on 8-9 July 2010.

The Commissioner met with topranking officials including President Lukashenka, representatives of the civil society and democratic opposition and held a press conference for mass media.

Alyaksandr Lukashenka told Fule on Friday not to expect major changes after a presidential election, expected early next year.

Lukashenka told a visiting EU official "we will not crawl on our knees be-

fore you, before Russia or before America."

The remarks clouded a meeting with EU Enlargement Commissioner Stefan Fule, who later said Belarus had backtracked after making progress toward European standards of democracy and rights.

"Minsk took many positive steps in 2008. In recent months, the EU member nations have not seen movement forward ... it's more like movement backward," Fule told reporters, speaking Russian.

Long reviled by the EU and the United States for his intolerance of dissent, Lukashenka has sought to improve ties with the West amid increasing tension with Moscow, which has decreased economic subsidies to its Slavic neighbour.

Belarus has released inmates considered by the West to have been political prisoners and taken other steps to appease the EU and Washington. But they have said the government must do

more to advance democracy and improve human rights.

Fule told reporters after his meeting with Lukashenka that the presidential vote will test the government's commitment to democracy.

"Elections are an international stamp in a country's democratic passport. Belarus needs that stamp," he said.

Lukashenka, who wants the EU to drop all travel sanctions against Belarusian authorities and improve trade terms, said he does "not harbour any hopes" about stronger EU support.

"You will wait and see how the election turns out ... I would like to warn you against any excessive hopes in this connection," he told Fule.

Fule said the EU would propose a democratic reform blueprint for Belarus this autumn.

11/07/2010

Source: Reuters, BelaPAN

Politics and Society

Belarusian Authorities "Improve" Internet

Belarusian President Alyaksandr Lukashenka's decree № 60 "On Measures to Improve the Use of the National Segment of the Internet" came into force on July 1. Analysts warn that the decision may herald the introduction of censorship to the country.

Internet providers will now be obliged to identify users' equipment and store information about the equipment and services rendered. Websites will have to be registered at the state electrical communication inspection.

Enterprises that offer products and services using the Internet are obliged to apply information networks, systems and resource of the national segment of the Internet placed and registered in the country.

A group of Internet users asked the president in the end of May to annul

the decree, and human right activists protested against the new measures.

On June 8, hosting providers addressed the Ministry of Communications and Information, the Intelligence and Analysis Centre (IAC) under the president of Belarus, asking to annul the requirement of the decree to transfer the servers to Belarus. Providers, servicing more than 80 per cent of Belarusian websites, also asked the authorities to postpone the term of registration of sites to October 1.

The providers said the decree did not allow them "to service the sites of physical persons who are residents of Belarus on equipment placed outside of our country." But residents of Belarus could place sites on equipment which is outside of Belarus.

At the same time, people will have free access to the information about the

work of the state bodies. They are obliged to post information on their activities on the Internet. Also, the providers are not held responsible for the contents of the information published online. Users complain that providers will now collect information on them, including their names and the number of documents produced. Those using wi-fi networks in cafes and clubs will also be required to produce their identification documents.

Belarusian providers have already bought special equipment to store the data of their users. Ironically, the tariffs for providers in Belarus were halved on July 1. Human rights activist believe the authorities are tightening their grip on the Internet to restrict the activities of opposition groups on the eve of the presidential elections due at the end of 2010.

01/07/2010 **Source: RTNews**

Lukashenka under Information Siege

On July 4, Russian NTV channel showed a documentary where Lukashenka was portrayed as a fierce dictator, oppressing and disposing of his opponents. Many observers described the film as sensational, and even scandalous.

The following day, the presidents of Russia, Kazakhstan and Belarus signed a declaration enforcing the Customs Code for the three countries. Minsk had been reluctant to ratify the package of agreements of the Cus-

toms Union of the three countries, but was forced to do it as otherwise the country's economy may be jeopardized.

The NTV documentary is considered to be the strongest signal ever that the Russian authorities may not support Lukashenka in the forthcoming presidential election in Belarus due to be held at the end of the year.

Belarus' embassy in Moscow has criticized the documentary, calling the accusations against Lukashenka "blasphemous," Ekho Moskvy radio said. Vitaly Slivka, the press attaché of the embassy expressed hope that the film "did not reflect the official position of the Russian leadership." Ordinary Russians "know the real situation in Belarus," he told the radio.

06/07/2010

Source: RT News

Saakashvili Met with Lukashenka in Crimea

Georgian president Mikhail Saakashvili met with the president of Belarus, Alyaksandr Lukashenka in Crimea and discussed bilateral relations in economic and political spheres. Both presidents hailed the intensification of contact and dialogue between social groups, especially business and youth sectors. Georgian and Belarusian presidents expressed the hope that the number of Belarusian tourists to Georgia will increase significantly this year.

This is the second meeting of the Georgian president with the leaders of the CIS member states. A few days ago, Mikhail Saakashvili met with the president of Ukraine, Viktor Yanukovich.

These meetings were followed by comments by the political experts and MPs.

They say, the restoration of diplomatic ties with the CIS member states means the beginning of a new stage with the countries, which face pressure from Russia.

13/07/2010

Source: gmfus.org

Russia Is Ready to Supply S-400 Complexes to Belarus

Russia is ready to supply air defence missile systems S-400 to Belarus. This was reported on July 13 by Commander-in-Chief of the Russian Air Force, Colonel General Alexander Zelin.

"Since we have a unified system of air defence, if Belarus then purchases the complex, it's natural that we'll supply it to them", Alexander Zelin said.

In his turn, the chief of the air force and air defence force of the Armed Forces of Belarus, Major-General



Air Defence with various defence arms, including S-400. The issue is being examined and worked out - it's not a decision of one day", RIA Novosti quotes Major-General.

At the same time, Commander-in-Chief of the Russian Air Force, Colonel General Alexander Zelin, also reported that developed in Russia anti-missile system of new generation S-500 would make part of missile defense system (PRO) of the country. "Air defence missile system S-500 is a system, to solve the problem of missile defence in Russia", Alexander Zelin said.

According to the Colonel General, until 2020 the Russian Defence Ministry will buy the latest S-500. "Until 2020 we will buy a large number of S-400. This is not about five antiaircraft missile regiments equipped with this system, but about a much larger quantity. It is also about the anti-aircraft missile systems S-500", Alexander Zelin said.

13/07/2010

Source: Telegraf

not dis-

cussed the

issue. At the same

time, he

underlined

that "there

in no limit

to our co-

operation.

If there is a

demand, we are

Page 7

Iran Ready to Export Oil to Belarus



Iranian Ambassador to Belarus Seyed Abdullah Hosseini announced Tehran's readiness to provide Belarus with oil supplies."Russia and Belarus are our friends. If Belarus asks us, we will help," Hosseini said in a press conference in Minsk, mentioning the possibility of Iran's oil exports to Belarus.

When asked about possible cooperation between Tehran and Minsk in the field of nuclear energy, Hosseini said Iranian and Belarusian officials have



ready to provide help in any field" for our Belarusian friends. He also announced that direct flights between the two capitals would start in August.

Tehran and Minsk have in recent months increased efforts to enhance their cooperation.

Iranian President Mahmoud Ahmadinejad said in December 2009 that Tehran and Minsk were laying the foundations for broader ties and intended to promote relations to the highest level possible. Belarusian Prime Minister Syarhey Sidorsky in a meeting with Iran's Central Bank Governor Mahmoud Bahmani last November urged the Iranian side to increase the volume of trade cooperation with Minsk. Noting that the current volume of economic cooperation between Tehran and Minsk stands at about \$100mln, Sidorsky noted that the opening of the second Iranian Bank in Belarus should help boost the volume to \$1bln.

The National Bank of Belarus registered two Iranian banks, namely the 'Onerbank' and 'Trading Capital Bank (TC Bank)', respectively in October 2009 and December 2008.

The Belarusian official also expressed satisfaction over his country's joint investment with Iran in the car industry as well as oil, petrochemical and development projects.

16/06/2010

Source: Fars News Agency Photo by ISNA

€15 Billion Blogas Project Set for Belarus

In two years time Belarus will be home to almost 40 new biogas power plants after the Council of Typelanery Services Pasternal Processor Pasternal Paster

Ministers directed 39 should be implemented by 2012.

Once up and running the 39 plants

will generate around 340kW/ hr of electricity from biogas produced from biomass, manure, sewage and household waste.

The investment needed to get this large -scale project off the ground is in the region of RUB 580 billion (?15 billion)

and will come from public funds, foreign investments and bank loans.

When completed the biogas-to-energy facilities are expected to reduce the county's reliance on natural gas imports by approximately 145,000 tonnes peryear.

18/06/2010

Source: bioenergy-news.com

MTS Belarus Hits 4.56 m Subscribers



Russian wireless powerhouse Mobile Tele-

Systems (MTS) has celebrated its eighth anniversary in Belarus, with its local unit signing up more than 4.56

million subscribers and boasting 4,400 base stations covering 97.23% of the territory. In addition, the owners note its Belarusian cellco has voice roaming on 408 networks in 170 countries and territories and GPRS-roaming on 289 guest networks in 127 countries and territories. The unit currently has 34%

of its base activated for data transmission services, of which 11% (501,600) use it regularly. MTS Russia has invested USD679.5 million in its Belarusian stock since entering the country.

28/06/2010

Source: Telegeography.com

Belarus - Russia Gas Dispute

In 2009 relations between Belarus and Russia - traditionally close allies which have been trying for about a decade to establish a Union State - were strained over a series of economic and political disputes. These included a dispute over Russian energy supplies, a milk export row and Minsk's reluctance to join the customs union with Russia and Kazakhstan. A more recent row was related to Minsk's refused to extradite deposed Kyrgyz president Kurmanbek Bakiyev.

On June 15, 2010, political tensions between the two countries renewed when Russia's President Dmitry Medvedev warned Belarus that it must pay its \$192 million debt for Russian natural gas supplies within five days or face cuts. Belarus is "fully" dependent on Russian gas supplies at present, with 95 percent of the country's electricity generated by gasfired power plants. Its pipelines carry 20 percent of Russia's exports westward to other European nations, supplying customers in Lithuania, Poland and Germany.

On Jun 17, Gazprom's CEO Alexei Miller stated that Russian gas monopoly Gazprom may cut 85 percent of gas deliveries to Belarus from June 21. On June 18 Belarus President Alyaksandr Lukashenka said that he did not think his country had any debts outstanding for Russian gas, but would settle any disagreement over the issue.

On June 21, Russia has started cutting gas supplies by 15%. Alyaksandr Lukashenka warned that it was not in Russia's interests to upset his country adding that issues of energy and security were closely linked when it came to cooperation between the countries. The same day, the European Union said it expected Russian natural gas to continue flowing to the bloc despite a dispute between Moscow and Belarus.

On June 22, Gazprom reduced gas supplies to Belarus by 30 percent of the planned volume. In return Belarus has threatened to begin siphoning

off Europe-bound natural gas. In the letter signed off by Deputy Prime Minister Uladzimir Syamashka, the Belarusian government said it had offered to cover a May gas bill by June 23, while demanding that Russia "immediately" pay Belarus \$217m in gas transit fees. Belarus would then pay Russia \$187m by July 5 to cover January-April supplies.

Jerzy Buzek, President of the European Parliament, stated that the European Union did not intend to interfere in the gas dispute between Belarus and Russia and expressed hope that the dispute would not affect gas deliveries to Europe. However, Belarus' Energy Ministry has warned in a letter to the European Commission that cuts of more than 15 percent could lead to transit shortages. The same day Belarus cut transit shipments of Russian gas to Lithuania, which relies almost entirely on Russia for gas supplies piped via Belarus and also acts as transit route for gas to Kaliningrad, by 30 percent.

On June 23, Gazprom further reduced the daily amount of gas deliveries to Belarus by 60 percent. The EU's energy commissioner, Guenther Oettinger, told Russian and Belarus officials in telephone calls that "Europe must not be taken hostage in this dispute" and expects that gas flows will remain uninterrupted".

Andre Mernier, secretary general of the Energy Charter, has expressed concern about the suspension of the transit of Russian natural gas via Belarus and urged the two countries to resolve their gas conflict promptly. (Let us remind that Belarus signed the legally binding Energy Charter Treaty in 1994 but has not yet ratified it supporting Russia's position)

On June 24, Gazprom resumed full supply of oil to Belarus after the country has paid the debt with the money borrowed from Azerbaijan. Minsk, however, maintained its claim.

Gazprom previously paid Belarus \$228 million to cover the gas transit debt for the last seven months. Belarus claimed that the debt was \$260 million but the

Russian giant wanted to pay over a lower transit fee (\$1.45). It was reported that Russia has acknowledged the remaining \$32 million debt.

On July 2, Gazprom and Belarusian signed Beltransgaz a supplementary agreement to their gas transit contract.

The new agreement set the transit rate for 2010 at \$1.88 per 1,000 cubic meters per 100 kilometres (The price has been increased by 12.7% if compared to the previous rate). With the signing of the supplementary agreement the gas crisis is apparently solved.

Though both sides are still arguing over how much money they owe, Alexander Nazarov, senior oil and gas analyst at Metropol, says there's really little alternative to the route through Belarus for Gazprom to ship its production to Europe.

"In winter months, in January and February, the transportation system should be used in full capacity, so, as a result, Belarus could be excluded from this route only temporarily. The transit through Belarus is shorter than through Ukraine and, as a result, it's cheaper. So, obviously Gazprom would like to carry less expenses transporting gas through Belarus than through Ukraine."

The spat between Belarus and Russia is not the first to leave Europe at risk of energy deficits, and has once again raised questions about Russia's ability to reliably deliver gas to its customers in the European Union.

"This latest incident follows other examples where Russia has used energy cutoffs to pressure neighbours, either to collect more money or to try to gain control over assets or infrastructure", David Kramer, a senior transatlantic fellow at the German Marshall Fund of the United States said.

Apart from the financial losses caused by the disruptions, the gas spats reveal a disturbing trend in Russian foreign policy, other experts say.

15/06/- 02/07/2010Source: AFP, Reuters, NY Times, RT, BelaPAN, ODB

Belarus Eyes \$6-7 Billion from Potash Company Stake Sale

The Belarusian government hopes to raise up to \$7 billion from the sale of a minority stake in potash producer Belaruskali to help replenish state coffers, Belarusian First Deputy Prime Minister said on Wednesday.

"The country needs money. There is nothing bad if we can sell part of an asset, fetching a significant sum of \$6-7 billion," Uladzimir Syamashka said during a parliament meeting.

He also said the government would sell a non-blocking stake in the firm, or less than 25 percent, and that an acquisition of the stake by China or a Chinese company would make sense.

"China is one of the largest buyers of our fertilizers so if China becomes a holder of a certain stake, this would guarantee uninterrupted supplies," he said.

The parliament of Belarus voted this month to lift restrictions on privatization of Belaruskali. The company owns 50 percent of the Belarusian Potash Co, a joint venture with Russian miner Uralkali (URKA.MM) (URKAq.L) that controls about 30 percent of the world potash market.

In May, Belarusian President Alyaksandr Lukashenka said Belarus may sell a minority stake in Belaruskali, but will retain a controlling stake.

> 30/06/2010 **Source: Reuters**

Belarus Joins Russia and Kazakhstan Customs Union

A customs union between Russia, Belarus and Kazakhstan will effectively come into force on Tuesday after Minsk ratified a key customs code.

The three-state union should have been launched on 1 July, but Belarus had refused to sign the documents.

Minsk wanted Russia to drop its export duty on oil and oil products for its union partners.

Belarus eventually ratified the code last week despite the fact that the duty dispute remains unresolved.



Single market

Russian President Dmitry Medvedev confirmed the move at a summit in Kazakhstan on Monday.

"A statement was signed on the en-

forcement of the customs code.

"In relations between the three countries it will be applied as of 6 July this year, in relations between the Russian Federation and Kazakhstan as of 1 July 2010."

Speaking of export duties, Russian First Deputy Prime Minister Igor Shuvalov said: "The Belarusian side is constantly raising the issue that establishing a customs union and a joint customs territory certainly leads to abolishing export duties in trade."

But he insisted that export duties between the union's partners would only be abolished after the Single Economic Space was established in 2012.

The aim of the customs union is to create a single market of some 170 million people, boosting trade and investment between its members.

At Monday's summit, Kyrgyzstan and Tajikistan said they were studying the possibility of joining the union.

> 05/07/2010 Source: bbc.co.uk

Remondis Founds PPP venture with Minsk

The Remondis waste management group and the Belarusian capital of Minsk have entered an agreement on waste management. According to Re-

mondis, a contract establishing a new joint venture, Remondis Minsk, was signed in Minsk on 6 July. Remondis is to hold a 51 per cent stake in the



public private partnership company, while the City of Minsk holds the remaining 49 per cent. According to ture is the first ex-

ample of privatization in the waste management sector in the Republic of Belarus. In the coming years, traditional waste management practices in Belarus

are to be transformed into a recyclingbased system meeting Western European standards. The modernization will require significant investment in the expansion of infrastructure, upgrades in the vehicle fleet, and now sorting and composting facilities, the burden of which are to be shared with partners such as Remondis.

08/07/2010

Source: euwid-recycling.com

Bank of Georgia Sells Stake in Belarusian Bank

The Bank of Georgia, the country's leading universal bank, says the International Finance Corporation (IFC) has purchased a stake in the Belarusky Narodny Bank, RFE/RL's Georgian Service reports.



The IFC paid the Bank of Georgia \$8.2 million for a 19.99 percent share in the bank.

Belarusky Narodny Bank is the Bank of Georgia's subsidiary in Belarus.

Bank of Georgia CEO Irakli Gilauri told RFE/RL today that "the participation of the IFC as a

shareholder and lender will undoubtedly increase the Belarusky Narodny Bank's competitiveness and will provide invaluable support in the development of the bank."

The bank also announced on July 8 that

Belarusky Narodny Bank has signed an agreement with the IFC for a \$5 million loan.

The loan carries an interest rate of LIBOR plus 4 percent per annum and is to be repaid over 4 1/2 years in six semiannual equal installments, starting in June 2012.

09/07/2010

Source: Radio Free Europe

Belarus and Ukraine Sign Agreement on Oil Transit



Belarus and Ukraine have signed an intergovernmental agreement on measures to develop cooperation in the sphere of oil transportation via Ukraine's territory to Belarus. The document was signed during the working visit of the Belarusian delegation, headed by First Deputy Prime Minis-

ter, Uladzimir Syamashka, to Ukraine, the press service of the MFA informs.

In the framework of the working visit talks were held between Uladzimir Syamashka and First Deputy Prime Minister of Ukraine, Andriy Kluyev, on the issues of bilateral trade and economic cooperation, BelTA informs.

The parties discussed the implementation of a joint action plan to carry out the priorities of Belarusian-Ukrainian contacts - the Roadmap, signed on May 29, 2010 in Gomel.

In addition, great attention at the talks

was also paid to the issues of cooperation in the sphere of oil transit through Ukraine's territory and the organization of Belarusian oil products supplies to Ukraine.

As Telegraf already reported, it is expected that this agreement will give an oppotunity to increase the volume of oil transportation through the territory of Ukraine by pipeline and rail transport.

13/07/2010 Source: Telegraf

Oil Refineries Face Sharp Decline in Output

According to the National Statistics Committee oil refining industry's output plunged by 32.8 percent year-onyear in the first half of 2010, said the National Statistics Committee.

The industry's output totalled 11,655.3 billion rubels (\$3.88 billion) from January through June.

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 by Russia, or around 15.2 million tons, is subject to the full export duty rate unless the resulting petroleum products are brought back into Russia. Belarusnafta supplied the Mazyr oil refinery with 838,000 tons of crude

produced in Belarus. Apart from this, 240,000 tons of Venezuelan oil were supplied and 320,000 tons [of Venezuelan oil] more were expected to be supplied in July

According to the National Statistics Committee, output also decreased 12.4 percent in the machine tool building and tool making industry, by 2.6 percent in the automotive industry, by 1.4 percent in the walling materials industry and by 1.7 percent in the baking industry. Output reportedly increased by 21.8 percent in the chemical and petrochemical industry, by 8.6 percent in the iron and steel industry, by 8.2 percent in the building materials industry, by 6.4 percent in the machine-building industry, by 9.4 percent in the food industry, by

11.5 percent in the light industry, by 12.3 percent in the woodworking and pulp and paper industries, and by 11.5 percent in the power generation sector.

The biggest output increase - 23.1 percent - was reported in the chemical industry.

The country's overall industrial output rose by 8.8 percent year-on-year to 72.6 trillion rubels in the first six months.

The government has projected the nation's industrial production to increase by between 10 and 12 percent in 2010.

15/07/2010 **Source: BelaPAN**

Part 2. Modern time



Nappelbaum, a self-portrait

At first, photography in Belarus, as elsewhere in the world, remained the domain of well-off and technologysavvy amateurs. However, the photographic process gradually became less complicated and costly. As a result, on the verge of the 19th and 20th centuries not only rich aristocrats but also some relatively well-to-do city dwellers could already afford to open their own photographic studios. For them, it was a new way to make business. Rather than entertaining themselves with photography, they lived from it. Most members of this newly-emerged "guild" of photographic craftsmen never crossed the boundaries of handicraft. Some, however, developed into fully-fledged artists. Moses Nappelbaum, sometimes called Rembrandt of the Soviet photography, is one of them.

Moses Nappelbaum was born in Minsk in 1869. There he started working in a photo studio at the age of 14. After work, Moses roamed the streets of Minsk and studied the pictures exhibited in the shopping windows of local studios. He wanted to learn from other masters, but soon discovered that most of the photos were quite tasteless. Young Moses wanted to do photography in a different way. Perhaps, it was during one of such walks that he came across the idea to get rid of artificial backgrounds and objects in the picture and work with skilfully applied light and shadows instead.

Having earned enough money to ensure relative independence, Moses Nappelbaum left Minsk. After a period of travels, during which he visited Moscow, Odessa, Warsaw, New York and Pittsburg, he returned to his native city in 1895 and opened his own studio. His first photographs, proudly signed "M. Nappelbaum", already had his signature approach, which was to bring forward the model with the help of a single light beam.

In 1910 Moses Nappelbaum moved to



St Petersburg. It was a turbulent revolutionary time in the collapsing Russian Empire. He made his name by capturing many prominent (and also controversial) personalities with his camera. The rules of the time prescribed at least three sources of light for a correct exposition. Moses Nappelbaum, however, began using a single source of light in

order to focus on the face of his models, leaving irrelevant details in deep shadows. It was a very similar style to that of Rembrandt paintings. By doing so, Nappelbaum strived to convey the inner



Galina Ulanova

world, character and even professional background of his models. For example, the portrait of the prominent ballet dancer Galina Ulanova is so much different from conventional set-up studio photographs of the time.



Anna Akhmatova

Another splendid example of Nappelbaum's work is the portrait of Anna Akhmatova, who was a brilliant representative of the "Silver Age" of Russian poetry. Nappelbaum com-

posed her portrait in the art-nouveau style, reminiscent of Gustav Klimt's graphics.



Vladimir Lenin

Looking at these delicate photographs, one can hardly imagine that it was Moses Nappelbaum who created the iconic portraits of leaders of the Bolshevik revolution. For example,

he made the well-known photograph of Vladimir Lenin, which haunted all Soviet school classrooms for many decades.

Another example is Nappel-baum's portrait of Dzerzhinsky (also a native of Belarus, by the way), the founder of the Cheka and mastermind of the revolutionary terror and bloody repressions in Com-



Felix Dzerzhinsky

munist Russia. This photo of Dzerzhinsky is still found on the walls of many KGB offices of the country. However, today one can't help noticing that Nappelbaum skilfully managed to show the eerie look of Dzerzhinsky's cunning eyes.

Nappelbaum began his work as a typically decadent artist, but finished his career as a renowned master of Soviet photography (his regalia even include the title of the Honourable Artist of the Belarusian Soviet Socialist Republic).

For example, his portrait of a Soviet military officer, created in 1949, shortly after the Soviet triumph in World War II, shows a true winner. At the



same time, this photo is quite different from typical ceremonial portraits of Soviet officers, as it has the flavour of the Tsarist military culture. Only the officer's insignia remind us that this photo was taken almost half a century after the old pre-revolutionary Russia had plunged into oblivion.

Of course, it would be rather farfetched to call Moses Nappelbaum a Belarusian photographer. After all, he created his most prominent works in Russia; his models were people who definitely belonged to Russian (or, alternatively, Soviet) culture. Nonetheless, Moses Nappelbaum was rooted in Belarus. Minsk was his artistic cradle; this is where he decided to become a photographer, and this is where his style began to take shape. At the end of his career, he wrote a book, entitled "From Trade to Art", which describes his way of dealing with photography. In case of Moses Nappelbaum, the title speaks for itself. The Soviet era was not the best time to practice photography or any other type of art. Most photographers could not let their talent run wild and had to put up with ideological restraints. Pursuing a non-conventional style could be seen as potentially suspicious and dangerous. The artist who obviously deviated from the doctrine of "Social realism" would have to live with the fact that his/her works would never be exhibited in public. In fact, it was the best idea to store them in a wellhidden corner of the workshop, at least for the author's own sake.

This was the case of Siarhiej Višnieŭski (1909–1992), a photo artist, who worked in the town of Dokšycy. In the 1920s and 1930s Bel-

arus was divided in two parts between Poland and the Soviet Union. Siarhiei Višnieŭski lived in the western part of the land which was under Polish control. As a boy, he became fascinated with the frescos in local Catholic churches. Under their impression, he painted several pictures, which were exhibited in a local hotel as a decoration. The local patron of art aristocrat Slatvinski noticed the pictures of Višnieŭski and proposed to finance the young man's education in Vilnia (Vilnius). Siarhiej Višnieŭski studied art at Vilnia University, where he received advices from Jan Bulhak, another prominent Belarus-born photographer that we have written about in the first part of this article.

In 1939 Poland was divided between Nazi Germany and the Soviet Union. As a result, most of the Belarusian territory was reunited under the Communist rule. The estate of Slatvinski was robbed and the owner sent to Gulag. His son was later executed by Soviet partisans. After the war, Dokšycy was a ruin. Of its 4,000 buildings no more than two hundred survived; three thousand people of the town were murdered by the Nazis or killed in fighting. Višnieŭski returned to Dokšycy and set up a small photo studio, which let him earn his daily bread as well as let off some of his artistic steam.

The authorities did not prevent Višnieŭski from pursuing his photographic trade. Nevertheless, he was suspiciously watched over as somebody who was noticeably "non-Soviet". However, the attitude of Dokšycy people towards Visheuski was completely different. For them, he was a local wizard who captured the lives of entire generations on his camera. Numerous families in the Dokšycy region still preserve his pictures as ancestral treasures.

Siarhiej Višnieŭski also had aspirations as an artist. In his paintings he applied the same manner as in his photos. He strived to characterize his models by capturing a special expression on their faces, or noticing a twist of their heads. The result was a fusion of photography



and painting. It may sound amazing, but stylistically the works of Višnieŭski are similar to that of American symbolist portraitists, such as James Abbott McNeill Whistler or Romaine

Brooks. He could have hardly had a chance to study American art; it is much more likely that Višnieŭski sensed the spirit of the time and reflected it in his photography-influenced paintings:

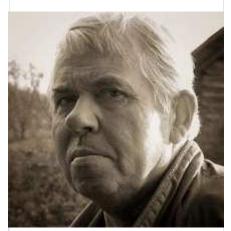




The economy of the USSR slowly recovered after the war. Soviet-made handheld cameras were becoming more affordable to the masses.

Photography in Belarus

Part 2. Modern time



Jaŭhien Kaziulia

Numerous new photo amateurs began to unite in photography clubs, one of the few kinds of relatively independent civil activity tolerated by the state. These amateur clubs, in their turn, nurtured many photo professionals. One such example is a photo club "Minsk", founded in 1960. His present chairman, Jaŭhien Kaziulia, is a representative of the after-war generation of Belarusian photographers.

Jaŭhien Kaziulia was born in 1936 in Kazan, the main city of Tatarstan, an autonomous region in Russia. However, his family roots were in Belarus. He was raised as a typical "war child", often having nothing else to eat than potato peels. After World War II, his family returned to Belarus. Jaŭhien, who then was 12, ran away from home and went to Moscow, where he joined a swarm of street kids. Some weeks later he was placed in an orphanage and finally sent off to his parents in Minsk. There, Jaŭhien took an interest in photography. He already had a "Kodak" camera which some soldier brought as a 'war trophy' from Germany. Photography sneaked into his life and stayed with Jaŭhien for good. He served in Soviet troops deployed in eastern Germany and began to earn his first roubles by making photo albums for his army comrades. Back in Minsk, Jaŭhien began to work as a part-time photo correspondent for newspapers "Znamya Junosti" ('Banner of



Youth') and "Golas Radzimy" ('Voice of Motherland', the publication aimed at Belarusians living abroad). His main profession was engineering. However, in the mid-1970s Jaŭhien discovered that his photographic hobby demanded more time than his main job, which he decided to quit. He also quit the Communist party after he was assigned to make a photo reportage about the party congress in Minsk. Jaŭhien was repelled by the scuffling and mudswinging which, as he witnessed, was concealed behind the pretty façade of the party's propaganda.

The photos of Jaŭhien Kaziulia are black and white emotions of random people he encountered.

With his photographic reports from the first protest actions of the opposition against the emerging regime of Aliaksandr Lukašenka in the mid-90s, Jaŭhien Kaziulia signalled the new era in Belarusian press photography. So many

times similar pictures would appear in print in the next decade...

Anatol Kliaščuk, born in 1957 in a small village in central Belarus, is one of the most outstanding contemporary press photographers of the country. He represents a similar tradition to that of Jaŭhien Kaziulia, but belongs to a younger, post-war generation. Since 1993 he has been working for a major daily Belarusian-language newspaper "Zviazda". Anatol often accompanies his journalistic photo contributions with short essay-like texts. Anatol Klaščuk is also the author of the bestselling photo album "Under the Sky of Belarus". Every time a season shift (the first snow, or garden bloom, or a major flood on the rivers) promises exciting opportunities for a photographer, Anatol Klaščuk starts his car and goes to a remote part of Belarus in order to hunt for new pictures. His photos are meditative and full of natural patterns, often pinned by a bright detail.



The first protest actions of the opposition against the emerging regime of Aliaksandr Lukašenka in the mid-90s by Jaŭhien Kaziulia



For many years Anatol Kliaščuk has been following the lives of children affected by the radioactive fallout from the Chernobyl nuclear plant. His project, supported by the UN, resulted into numerous publications and exhibitions.



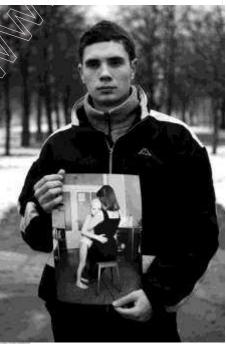
A recent part of his project is called "Chernobyl. 20 Years After". Anatol Kliaščuk visited the children (now young adults) which he met 20 years ago, while they were treated.



If Jaŭhien Kaziulia and Anatol Klaščuk are typical press photographers with a heart for an artistic shot, then Ihar Saŭ-čanka is a pure photo artist without any addiction to current reporting. Instead, he is much more interested in constructing parallel reality with his works.

Ihar Saŭčanka was born in Minsk in 1962, and worked as an engineer. He first began to make photographs in 1989. Just one year after Ihar was awarded a Prize by Kodak-Pathe Foundation at Salon International de la Recherche Photographique, Royan, France. In 1991 his first solo exhibition was opened in Galleri Index/ Fotograficentrum, Stockholm. In 1997 Ihar Saŭčanka abandoned photography and dedicated himself to mixed media projects and professional scuba diving. However, in 2006 he resumed his photographic experiments.

"Experiments" is perhaps the most suitable word to describe Saŭčanka's photography. For example, the series "About Happiness" strive to re-enact random glimpses of the Soviet collective memory; at the same time, there is a slightly mystical feeling to these pictures, as if one peeked into someone else's dreams:





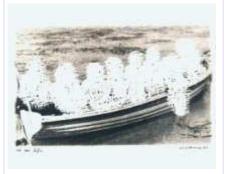
About happiness

Another series, "Alphabet of Gestures" presents the fragmented glimpses of life:





The photos from the series "Mysteria-1" create an uneasy feeling of deconstruction. This is a space which melts away. Some figures vanish, other ones are scratched out:





Ihar's photograph titled "The Darkness' and the Light's Mutual Penetration; a Structure of the Process" offers a purely visual experience without any distinguishable objects in sight.

Unlike one century ago, today photog-

raphy rarely becomes a main profession since the very start of one's career. Instead, it usually begins as a hobby and grows more and more serious with time.



Zianon Paźniak by Julija Daraškievič

minding of haiku, and so are his photos. There are almost no people, just nature or architecture. Light breeze brushes against cornflower fields; sunrays caress old pavement bricks. Paźniak's photos of Minsk have an additional historic value. He created them in

the 60's and 70's, before many of the cityscapes he had photographed were demolished to give way to the new, concrete-clad Minsk of the late Soviet

era.

Another book by Paźniak is called "Daroha" ('the Road'). It is a combination of his preexile Belarus-made photos and of new photographic challenges he faced in New York.



Unlike Belarus, which is still inhabited with memories and angels.

New York, as seen through Paźniak's lense, is a city of people. However, there is nothing glamorous about them. One can't help the feeling that Zianon



Gloria patria! By Paźniak

pities these hustling and bustling folks who populate the deep craters between the concrete slabs of skyscrapers. Belarusian photos by Paźniak are idyllic, almost surreal; his American pictures are, on the

contrary, acutely realistic:







Zianon

Paźniak, the exiled opposition leader, was one of the few people who helped to "awaken" the Belarusian population from the Soviet lethargy in the late 80's. He also helped to discover the horrible truth about the crimes of the Soviet regime. Many know Paźniak as a democratic, but also nationalistic and conservative leader, whose principles, although, disliked by many, have always been hard as steel. However, there is another, soft and creative side to his personality people usually know less about.

Paźniak is a passionate photographer. He sticks to his hobby since his youth years. Unlike in the turbulent 90's, when his life was all politics, today Paźniak is living in exile. Without opportunities to be an active politician, he rediscovers himself as an artist. "Gloria Patria", the book of photographs and verses by Zianon Paźniak, is certainly worth a closer look. His poems are minimalist, re-

The revolution in digital photography boosted the field of photo in Belarus. The youngest generation of Belarusian photographers is already taking shape. One of the most interesting members of this new wave of photographers is Andrej Liankievič. Born in the western Belarusian city of Hrodna (Grodno) in 1981, Liankievič came to Minsk, where he studied economics.



However, Andrej preferred a photo camera to charts with financial data. In 2002 he began working with the Minsk-based tradition-rich weekly newspaper Nasha Niva and quickly made a name with his photo reports. His photos were published in major Russian media (Ogonyok, Moskovskiy komsomolets, Izvestia), in Poland (Gazeta Wyborcza), and in USA (the New York Times printed his photo from opposition protests in Minsk on the front page in March 2006). He also went on a prestigious 9 -month stipend from World Press Photo in Armenia, where he created a series of photographs about Yezids, a little-known highland minority.

After his Armenia experience, Andrej Liankievič began to expand his photographic outreach from press photo to sub-philosophic photographic narratives. This resulted into several projects; for example, a series about a lesbian family from Minsk titled "He Has Female Name":



Another project of Andrej Liankievič addressed the pagan culture in Belarus, which survived until today:



Andrej Liankievič had personal exhibitions in Belarus, the Netherlands, Germany, Russia, Lithuania, the Czech Republic, Norway and Poland. However, this did not prevent him from being beaten to blood and arrested by police during an opposition rally on March 25, 2008 in Minsk.

Today, Andrej has basically left the field of press photography and pursues projects which can be described as photographic essays. One of his most recent series consists of portraits of prominent members of ethnic Belarusian community living in Eastern Poland. The photos by Liankievič are literally bathing in darkness, with an occasional splash of light bringing up an important fragment of his picture to the viewer:



Yury Turonak by Liankievič

The most award-winning and truly iconic picture Andrej Liankievič has created so far is that of a devoted communist woman running with a red flag through the center of Minsk on a misty morning. The picture serves as a metaphor to the present-day Belarus, the country with a looming Soviet past and uncertain future:



Most recently, the picture has won the 1st place in the nomination "People in the News" during the first major independent exhibition Press Photo Belarus 2010. The exhibition promises to turn into a great platform for Belarusian press journalists to test their skills and present them to the public outside their usual media audience.

Viktar Dračoŭ (born in 1957, now working Agence France-Presse) has harvested the most prizes during the exhibition, including the grand prix. The jury especially valued his photos from the radiation-contaminated areas in the south of Belarus:





Julija Daraškievič, photo correspondent of Nasha Niva, is a young journalist with vast experience.

She also received special attention



during Press Photo Belarus 2010. Julija was one of the first young ladies to tap into the tough and often dangerous sphere of photo reporting in Belarus:

One photo of hers was even turned into a stencil by an anonymous Belarusian street artist:



Julija Daraškievič represents an interesting trend. The field of photo reporting, which used to be a purely male domain in Belarus, today is being besieged by aspiring female photo correspondents - despite regular crackdowns on journalists. The young ladies eagerly thrust themselves into the most dangerous situations in order

to get a better shot. At the same time, they tend to have a slightly different perspective of the events, often dwelling on psychological aspects of their objects. This is an exciting development which may influence the future style of Belarusian photography in the ways, never experienced before.

by Ales Kudrytski for the ODB

For additional information:

Anatol Klaščuk

http://un.by/ru/chernobyl/20years/photosAK.html

The website of Ihar Saŭčanka:

http://dironweb.com/savchenko/framese.htm

The website of Andrej Liankievič:

http://www.liankevich.com

Photo blog of Julija Daraškievič on Nasha Niva:

http://www.nn.by/?c=ca&i=600

exhibition Press Photo Belarus 2010

http://pressphoto.by/

Photoscope, a web magazine about Belarusian photography:

http://www.photoscope.by/

Znyata, the main Belarusian photoportal

http://znyata.com/

More photos:



Photo by Anatol Kliaščuk



Photo by Zianon Paźniak

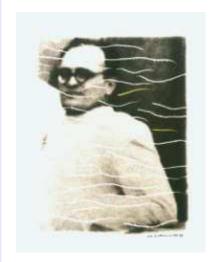


Photo by By Ihar Saŭčanka

The Office for a Democratic Belarus wishes you a nice summer holiday.

See you again in September!