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### Inside this issue:

EU and Belarus 2-3,5

Presidential election in Belarus. A Monitoring by human rights defenders 3

Kremlin in clash with Lukashenka 4

**'More vulnerable than ever' an article by Vital Silitski 5**

Politics and Society news 4-7

Finance and Commerce 8-11

Lukashenka extended foreign banks benefits 8

Lithuania strikes oil transit deal with Belarus 11

Belarus and China sign \$3.5 loan agreement 11

# Belarus Headlines



*Alyaksandr Lukashenka with his younger son Mikalai at Belarusian-Chinese techno park opening, during his trip to China. Photo by BelTA*



*29/09/2010 Exhibition of Belarusian Artist Viktor Lahouski Opens in the European Capital.*

*The exhibition will continue its work till the 22nd of October and will be at held at Rue de la Loi, 41 Brussels. Photo by ODB*

## ČR, Belarus Promote Diplomatic Missions to Embassies



The Czech Republic and Belarus have promoted their diplomatic missions to the usual level of embassies, which indicates improvement of relations, as indicated on the official website of the Belarusian President Office and the Czech Foreign Ministry.

The relations were tense due to Prague's serious criticism of President Alyaksandr Lukashenka's authoritarian regime. As a result, the diplomatic representation was at the lower level

of charge d'affaires.

Czech Foreign Ministry said that their Ambassador Jiri Karas was already in Belarus and the Belarusian Ambassador Vasil Markovich would submit his credentials to President Vaclav Klaus next Thursday.

The Belarusian Ambassador has not been to the Czech Republic since 2002, when the Czech Republic refused to grant visas to Lukashenka to attend the Prague summit of NATO.

Last year, President Vaclav Klaus made it clear Lukashenka was not welcomed at an Eastern Partnership Summit in Prague.

Klaus said he would not receive or shake hands with him. Lukashenka said Klaus had rough manners and did not arrive.

There were a number of diplomatic rows in the past years. The two countries repeatedly expelled each other's diplomats.

Minsk refused to grant visas to some Czech politicians, including former senator and current Foreign Minister Karel Schwarzenberg in 2006.

27/09/2010

Source: Prague Monitor

## EU Set to Extend Visa Ban with Some Exceptions

Diplomats in Brussels say EU ambassadors have agreed to extend by another 12 months a visa ban on top Belarusian officials.



They suspended the ban, however, for most of the officials in a gesture of goodwill. The complex signals reflect the EU's wish to develop a closer relationship with Belarus -- and offer an alternative to Russia -- without giving up pressure on Minsk to democratize.

The visa ban on 41 top figures in Belarus was first introduced in the wake of the flawed presidential election of March 2006.

The EU, however, is set to extend by another 12 months a 2008 exemption allowing 36 of the officials -- among them President Alyaksandr Lukashenka -- to travel within the EU on the condition that the human rights situation in the country does not deteriorate.

The issue will be formally decided at a foreign ministers' meeting on October 25.

A group of member states led by Poland and Sweden wanted the EU to commit itself to a review of relations with Belarus relations in six months' time. Germany

leads another camp advocating a softer approach.

There was general agreement among all member states, however, that EU ambassadors will revisit the issue after the December 19 presidential election in Belarus.

The complexity of the decision reflects a certain contradiction in the EU's motives. On the one hand, the bloc wants to encourage dialogue with Belarus and -- less overtly -- provide a geopolitical alternative to Russia.

### Human Rights Concerns

Suspending the visa bans, along with other moves aimed at unfreezing ties with Minsk, came at the EU's initiative after the Russia-Georgian war in 2008. That conflict persuaded Brussels and many other EU capitals of the need to step up efforts to reengage Belarus -- even if the costs may have appeared high.

At the same time, the EU is keen to retain credible leverage for reacting to rights violations in Belarus. Officials note the situation in the country, although largely stable, has not improved.

This is underscored by the fact that the EU has been unable to make use of a clause, inserted in the last time the visa ban was extended -- and partially suspended -- in November 2009.

The clause says the ban could be lifted "at any time, in light of actions by the Belarusian authorities in the sphere of democracy and human rights." The reverse, however also applies -- the continued suspension of the ban is conditional on Minsk's willingness to cooperate with the EU.

Overall, the decision expected from the October 25 foreign ministers' meeting in Luxembourg is intended to signal that the EU's patience has not run out. It appears the bloc is prepared to tolerate continued sporadic low-level abuses such as the recent suspicious death of opposition activist Aleh Byabenin.

01/10/2010

Source: Radio Free Europe

## Foreign Ministries of Belarus and Austria Hold Political Consultations in Vienna

Political consultations between the Belarusian Ministry of Foreign Affairs and Austria's Federal Ministry for European and International Affairs were held in Vienna on 5 October.

According to the press-office of the Belarusian Foreign Ministry, the Belarusian delegation to the meeting was led by Deputy Foreign Minister Valery Varanetski and the Austrian side was headed by Political Director Stefan Lehne.

Under discussion was a broad range of

issues concerning Belarusian-Austrian relations, Belarus' relations with the European Union, and Belarusian-Austrian cooperation within the framework of international organizations.

The two sides also discussed the possibility of improving the legal basis for bilateral relations, and joint steps aimed at increasing cooperation in the trade and economic sphere. "We call for Belarusian authorities to create favourable conditions to conduct fair and democratic election in

accordance with the OSCE standards," said Michael Spindelegger, the Foreign Minister of Austria at the meeting with the Belarusian delegation. Spindelgger stressed that Austria and the EU would welcome closer cooperation with Belarus and that Minsk should be ready for that by ensuring better human rights records. He said the EC would be closely following the presidential election in December.

06/10/2010

Source: BelaPAN, ODB

## Politics and Society

## Election of the President of Belarus 2010: Preliminary Findings of Monitoring First Two Weeks of Election Campaign by Human Rights Defenders for Free Election

The 2010 election of the President of Belarus will be held on a basis of the 2000 Electoral Code with some amendments and additions made on 4 January 2010. These changes contributed, to a certain extent, to bringing the national electoral legislation to democratic standards, but, as shown by the local elections in April 2010, did not change the nature of the electoral process, during which serious systemic deviations from democratic standards were registered.

The consideration of the issue of scheduling the presidential election on 19 December 2010 by the House of Representatives of the National Assembly, which took place on 14 September, was one-sided and hasty, while the preliminary preparation thereof failed to comply with Article 65 of the Constitution, according to which "preparation and holding of elections shall be made openly and publicly." [...]

The process of submitting applications to the Central Election Committee (CEC) for registration of initiative groups by the individuals, who intend to become presidential candidates, as well as of lists of members of initia-



tive groups, was held in accordance with the Electoral Code, with one exception: the incumbent President Alyaksandr Lukashenka did not present the necessary documents in person,

as required by Article 61 of the Code; his application was submitted by the head of his election headquarters, Minister of Education Alyaksandr Radzkou. The latter, however, was not noticed by outside observers as appearing at the CEC.

The applications and lists of 19 initiative groups were considered by the CEC within the term as scheduled for the election period. Certificate on registration of initiative groups were awarded to 17 citizens; two were rejected on the grounds that their groups failed to have 100 members as required by the electoral legislation. [...]

The process of nominating candidates into 155 Territorial Election Commissions (TECs), which ended on 26 September, was, as a whole, in line with the electoral legislation. Local authorities accepted applications from all the subjects entitled to nominate candidates to election commissions, with long-term observers reporting only

one case where an application was not accepted.

Before 24 September, as required by the CEC, local authorities had identified the places forbidden for holding pickets with the aim to collect voter signatures for nominating presidential candidates. With the exception of Minsk, where restrictions on picketing are minimal, almost all other localities introduced tough restrictions, which in fact prohibit collection of voter signatures in places which are most convenient for contacts with voters of those initiative groups supporting opposition candidates. [...]

The state-owned television and radio, as well as central newspapers, made broad but one-sided coverage of the electoral process. Even before it was officially announced that Alyaksandr Lukashenka was going to participate in the elections, a large number of reports and comments were actually early campaigning for him. Information about other potential candidates was presented in an extremely limited volume and in negative light.

The Full text of the report is available at: <http://spring96.org/en/news/35770/>

06/10/2010

Source: Human Rights Defenders for Free Elections



## Kremlin in Clash with Lukashenka



Russian President Dmitry Medvedev harshly criticized Belarusian leader Alyaksandr Lukashenka on Sunday, accusing him of waging a "hysterical" anti-Russian campaign to boost his bid for re-election on December 19.

Ties between the ex-Soviet neighbours have deteriorated sharply in recent months and analysts say the Kremlin could complicate veteran leader Lukashenka's bid to repeat his landslide 2006 victory.

"The election campaign there is entirely built on anti-Russian plots, hysterical accusations of Russia's unwillingness to support the Belarusians... and on curses against the Russian leadership," Medvedev said in his weekly video blog ([blog.kremlin.ru](http://blog.kremlin.ru)).

"President Lukashenka in his comments has gone far beyond not only the diplomatic rules, but also basic human decency," he said. "There is a clear desire to pit our two states, and hence our two peoples, against each other."

For most of his 16 years in power Lukashenka, 55, has enjoyed Russian support as a counterweight to antagonism from Western leaders who accuse him of prolonging his rule through rigged elections and the suppression of dissent.

But a series of diplomatic and trade spats have poisoned their relationship in recent months.

The Kremlin is furious at Minsk's failure to recognize the breakaway Georgian regions of Abkhazia and South Ossetia as independent states after Russia's 2008 war with Georgia. In his blog, Medvedev described Luka-



shenka as "dishonest" for reneging on a pledge to recognize the regions that he said was made in front of five other heads of state.

Relations between Russia and Belarus were soured further when in April the latter gave refuge to former Kyrgyz leader Kurmanbek Bakiyev, who was criticised by Moscow. Lukashenka's intermittent efforts to woo the West have also infuriated Moscow.

As ties deteriorated, Moscow hiked energy prices and withdrew \$2 billion worth of effective annual subsidies on oil supplied to Belarus refineries. In June, Minsk threatened to cut Russian gas transit to Europe in a pricing dispute.

Lukashenka, Medvedev said, had proved "ungrateful for years of generous Russian financial support".

Medvedev's attack comes after Russian state television this summer ran three documentaries that accused Lukashenka of rampant corruption.

Lukashenka in turn accused officials in Medvedev's administration of orchestrating "an intentional flow of shameless lies, absurdities and outright misinformation about Belarus" at a press conference in Minsk on Friday. Despite its criticism of Lukashenka, Moscow has not backed any of the 17 candidates running against him at the presidential race this year. The opposition has failed to choose a united candidate as they did in 2006.

Shortly after Medvedev delivered his message to Lukashenka in his video blog Russian state-run TV has resumed a media attack against Belarusian President.

In July, the NTV channel broadcast a three-part documentary called "The Godfather," revealing disappearances of Belarusian opposition politicians and human rights violations in the country. The channel is now showing a repeat of the documentary.

On October 6, the Russian State Duma issued a statement on the state of Russian-Belarusian relations. It expressed MPs' concern over the situation of recent months between the two countries, supporting the position of Russian President Dmitry Medvedev though.

On the same day, Russian media quoted a source in Minsk on subject of President Alyaksandr Lukashenka's declarations that in case of non-recognition of the presidential elections results by Russia, Belarus may terminate its participation in all integrity groupings of the former Soviet Union: the Union State, the CIS, the Collective Security Treaty Organisation, the Customs Union and so on.

Head of the Presidential Administration Uladzimir Makey dismissed the quotes as "disinformation and dirty provocation" by some Russian media.



On October 7, the Belarusian Parliament adopted a resolution in which it expressed its concern over Russia's mass media's crusade aimed at discrediting Belarus and its leadership.

On the same day, Sergey Naryshkin, head of the Russian Presidential Administration, invited Belarusian journalists, including representatives of the independent media, to a press-conference in Moscow.

03-08/10/2010

Source: Reuters, RIA Novosti, nn.by, Itar-Tass, ODB

## More Vulnerable than Ever



“Russia has made clear that it wants Alyaksandr Lukashenka unseated as Belarus' president. December's elections are now crucial and unpredictable” writes **Vital Silitski**, the head of the Belarusian Institute for Strategic Studies, in his article for *the European Voice*.

“Suddenly, in the eyes of many, Alyaksandr Lukashenka's days as Belarus' president are numbered.

Medvedev's message leaves no doubt that the Kremlin, which has never had easy relations with Lukashenka, now wants Lukashenka out. With Belarus two months away from a presidential election, this was the moment to strike.

Medvedev's intervention has turned the election from an exercise in futility for the divided and self-absorbed opposition into a crucial and unpredictable affair. Moscow may not throw its support behind any candidate, but it may not recognise Lukashenka's victory as legitimate, using that as a pretext to intensify economic pressure, promote splits in the ruling elite and, eventually, force Lukashenka out.

But it will be some time before that happens. Lukashenka enjoys substantial public support and the loyalty of his henchmen – and he will reinforce

that support by posing as a defender of Motherland against the oligarchs who, he will say, are using Medvedev as their puppet.

Still, if Russia maintains a consistent line, it will be sending a signal that Belarusians cannot ignore: you supported Lukashenka for stability, but from now on there will be no stability with Lukashenka.

To survive, Lukashenka needs a plan. In the past, when under Russian pressure, he has presented himself as the chief proponent of Belarus' independence (2004), then liberalised the economy (2007) and then freed political prisoners (after Russia's attack on Georgia in 2008). But Lukashenka has not compromised on big things – democracy and human rights. Dissatisfied with the EU's lack of interest in the bargains he has offered, Lukashenka has turned to China.

But Chinese help may take time to take effect and he needs a plan now. So Lukashenka will make token efforts to secure legitimacy for the elections in the West, possibly by announcing a more realistic winning margin (he said as much on 1 October). That may – and should – come as too little, too late for the EU.

So what does this mean for Belarusians? The campaign has begun vigorously, showing that Belarusians are shedding some fears, and Lukashenka's sudden struggle for survival will encourage opponents.

However, the chances for change will be lost if the election turns into a battle between Lukashenka and Kremlin.

Moscow is pursuing its interests, not Belarusians'. All the sins that the Kremlin now charges Lukashenka with (and others) can easily be identified within its own walls. Belarusians therefore have a choice between two evils – and for most Lukashenka is the lesser evil. That is also the view that many in the opposition would take: they may hate Lukashenka but few will want Belarus

to lose its independence and with it the prospect of one day becoming a modern European state.

A choice between two evils is how the election will stay, unless the election acquires a European dimension. If Brussels is indifferent, it may well help Lukashenka wriggle out.

In the past, the EU has struggled to find ways to achieve something in Belarus. It may now have many options – diplomacy, political pressure, sticks and carrots. In using them, it should follow three principles.

First, it should support the process, rather than the result – that is, it should judge the election by the fairness of the campaign and of the vote count, rather than the size of Lukashenka's victory. Co-operating with Russia to monitor the election could prove very valuable.



*Vital Silitski*

Second, it should exploit Lukashenka's survival instincts: it should reiterate its offer of engagement and economic assistance, making clear, though, that he can no longer dictate terms and that democracy and human rights can no longer be compromised.

And third, it should encourage political participation inside Belarus and articulate moral support for candidates who campaign under a pro-European and democratic message.'

07/10/2010

**Source: The European Voice**



## Belarusian Presidential Election Campaign News (in pictures)



**30/10/2010**  
**Signatures'**  
**Collection**  
**Campaign**  
**Starts in**  
**Belarus**

Pickets in the centre of Minsk. Belarusian musician Zmicer Waitsiushkevich and writer Uladzimir Arlou came to support independent candidates. Photo by *ERB*



**06/10/2010** Central Election Commission Head Lidziya Yarmoshyna grants registration to the Head of the CIS observation mission Sergei Lebedev. Photo by BelTA

On October 4, a source from Kremlin said that Russian observers would assess the elections "adequately". On the next day, Lidziya Yarmoshyna, Head of the Central Election Commission of Belarus, expressed the hope that in their estimation of the election Russian observers would not meet anybody's political order.

The Mission of the CIS long-term election observers is expected to consist of 35 members and is to start its work on 20 October 2010.



**07/10/2010** Pensioner Pyotr Barysau announced his withdrawal from the presidential race in favour of co-chairman of the Belarusian Christian Democratic Party Vital Rymasheuski. Photo by *Nasha Niva*

The number of candidates in the presidential race reduced to 15. The Chairman of the Liberal Democratic Party, one of the country's largest parties, Syargei Haidukevich, said he submitted an application to the Central Election Commission (CEC) with a request to withdraw his candidature. Explaining his decision to journalists, he noted that "elections in Belarus are a show of the results which are long known to all." He also noted that the Party has shown that it has a potential. Haidukevich took part in the presidential election of 2001 and 2006. In the last election he received 3.5 percent of the votes.

Apart from the incumbent Belarusian President **Alyaksandr Lukashenka**, the list of the contenders includes Belarusian poet and oppositionist and the leader of the "Tell the Truth!" movement, **Uladzimir Naklyajeu**; Deputy Chairman of the oppositionist United Civil Party **Yaraslau Ramanchuk**; First Deputy Chairman of the Belarusian Green Party **Yury Glushakou**, who positions himself as a moderate oppositionist; former Deputy Foreign Minister of Belarus and the leader of the European Belarus opposition movement **Andrei Sannikau**; opposition activist **Ales Mikhalevich**; a member of the Belarusian Popular Front party, **Ruhor Kastusiu**, a leader of the Belarusian Social Democratic Party 'Narodnaya Hramada', **Mikola Statkevich**; and some other candidates such as sole entrepreneur **Uladzimir Pravaliski**, an executive of a fruit and vegetable company in the city of Vitebsk, **Syarhei Ryzhou**, chairman of the Council of the Association of Small and Medium sized Enterprise, **Viktar Tsyareschchanka**; Director General of the Company 'Trivium' **Dzmitry Uss**; a construction engineer **Pyotr Barysau**; a nuclear physicist **Ivan Kulikou**, and an unemployed **Syarhei Ivanou**.

## Lukashenka Meets Turkish President, Vice-Minister in Istanbul

The talks focused on the state of bilateral relations and the most promising areas of further cooperation between the two countries in various spheres, as well as topical issues on the international agenda with the main attention being devoted to economic ties.

During his meeting with the Turkish Prime Minister, President Lukashenka emphasized Belarus' intention to "enter into strategic partnership with Turkey and readiness to propose a number of promising areas for joint activities."

Meeting his counterpart Gul for dinner in the Turkish president residence later that day, Lukashenka noted "a high level and fruitfulness of Belarusian-Turkish political contacts." "We know much about each other and our potential is huge, but it has been little

used," he was quoted as saying. "If we implement all of the agreements that we have discussed with you, we will reach a very high level and volume of cooperation."

Mr. Gul, for his part, expressed satisfaction with the fact that Turkish companies had opportunities to operate in Belarus.

The presidential press office of Belarus said that Belarusian producers of machinery were considering the establishment of assembly plants in Turkey.

"One may also speak about good prospects for the establishment of joint enterprises to make complex equipment on the territory of Belarus, which is a member state of the Customs Union. Belarus is also ready to offer Turkey relatively cheap and pretty high-quality machinery for the mining industry," the press office said.



*At the dinner reception with the President of Turkey Abdullah Gul*

In addition, the two countries can cooperate in the light industry, science, tourism, transport and logistics, the press office said.

04/10/2010

**Source: naviny.by,  
Photo by Anadolu Ajansi**

## Venezuela's Chavez Announces Plans to Visit Allies Belarus, Iran, Russia



Venezuelan President Hugo Chavez is planning to visit Russia, Belarus and Iran to reinforce ties with some of his close allies.

Chavez says he expects to travel to Moscow around October 11 to cement a series of accords on trade and technology.

Chavez has cultivated close ties with Moscow while buying billions of dollars in Russian arms including helicopters, fighter jets and 100,000 Kalashnikov rifles.

04/10/2010

**Source: Winnipeg Free Press**

## Ingledow: Belarus Should Declare Moratorium on Death Penalty



The Parliamentary Assembly of the Council of Europe cannot restore the status of a Specially Invited Member for Belarus until the republic declares a moratorium on capital punishment, says the organization's political adviser Michael Ingledow.

Speaking with journalists in Strasbourg, he pointed out that the Council of Europe would like the current election campaign in Belarus to be transparent and open. In this context, he said he deplored the fact that the Council of Europe is unable to send monitors to Minsk, since Belarus

was not a member.

05/10/2010

**Source: The Moscow Times**



## Syria, Belarus Establishing Joint Company for Manufacturing Cars and Trucks



Syrian Minister of Industry Fuad Issa al-Juni discussed with Chairman of Board of Directors of Belarusian

MAZ and MZNT companies the draft project of establishing a joint Syrian-Belarusian company for manufacturing cars and trucks, reports Global Arab Network according to Syrian sources.

The project comes as part of the resumption of the discussions between the two sides which started during President Bashar al-Assad's visit to Belarus in July this year. The two sides agreed on the share percentage in the joint company which is to build MZNT truck and MAZ buses in

Syria in cooperation with Minsk Company for Manufacturing Truck in addition to the public and private sectors.

The two sides underlined the importance of making a feasibility study for this company in a two-month period as a step before signing the contract.

21/09/2010

**Source: Global Arab Network**

## Minimum Wage in Belarus to Significantly Increase in November, IMF Critical of This Decision

On September 27, President Alyaksandr Lukashenka signed a decree on increasing the minimum wage from November by 54.7%. Hourly minimum wage is to rise by 54,2%. Thus, most low-wage workers will earn from November 2010 no less than 400 thousand rubles, which at today's exchange rate is just over \$ 130. The minimum payment per hour will be 2,360 rubles (about 80 cents).

According to the presidential press service, the decree will enhance economic protect ability of the low-paid categories of people employed in both public and private sector. In addition, the minimum wage will increase closer to the level of the minimum consumer budget.



Belarus' plan to raise public sector wages by a third ahead of presidential elections has no economic basis and contravenes its agreement with the International Monetary Fund, an IMF representative in Belarus Natalia Kaliadzina said. She mentioned that: "In the framework of the (IMF) programme, a certain increase in wages and pension was expected. But such a significant hike, undoubtedly, does not meet our agreements".

The rises, the country's largest pay hikes in recent years, would cost an additional 7 trillion Belarusian roubles (\$2.3 billion) and double the size of the expected budget deficit to 3 percent of gross domestic product (GDP) this year.

"We do not see an economic basis for such a significant increase in wages," Kalyadzina said. "The government will need to

generate revenues to fund the additional spending."

The IMF supported Belarus with a \$3.5 billion package during the global economic crisis, with the last tranche deposited in April. In May, Lukashenka said his recovering economy did not need additional funds from the IMF.

The IMF expects the Belarus economy to grow 7.5 to 10 percent in 2010 after stagnating last year, but earlier this month the Fund said it was anxious that Lukashenka was not moving forward with the earlier promised fiscal, banking and structural reforms.

28/09/2010

**Source: Telegraf, IMF press-release, ODB**

## Lukashenka Extended Foreign Banks Benefits



Belarus extends maturity of the loans for the Belarusian goods purchase to non-resident banks maximum for five years. The corresponding resolution is contained in a decree of the Belarusian President Alyaksandr Lukashenka № 497 of September 27, 2010.

In addition, the decree implies the introduction of benefits for the Customs Union organizations for the refinancing of the costs incurred by leasing companies.

In accordance with the document, refinancing means reimbursement to the borrower (leasing companies) the funds, spent on the acquisition of Belarusian goods in Russia and Kazakhstan, in order to transfer them to the lessee - to non-residents of Belarus.

As stated in the decree of the President, these benefits are introduced for the "further development of trade and economic cooperation with countries free from customs control and customs clearance, and also for creating the conditions for marketing in these countries the goods, produced in Belarus."

29/09/2010

**Source: Telegraf**



## Ukraine to Move 9 Million Tons of Venezuelan Crude to Belarus

Ukraine plans to transit 9 million tons of oil of Venezuelan origin by railway transport for the needs of Belarusian petroleum refineries in 2011, said Ukrainian Transport and Communications Minister Kostiantyn Yefymenko.



At its 29 September session, the Cabinet of Ministers approved an agreement between the governments of Ukraine and Belarus on measures regarding development of cooperation in the sphere of oil transportation, which fixed the mentioned volumes for 2011.

Yefymenko added that in 2010 Ukraine

would carry about 1.5 million tons of oil for Belarusian petroleum refineries.

As Ukrainian News earlier reported, Ukraine and Belarus on July 12 signed an intergovernmental agreement on transportation of crude oil on transit through Ukrainian territory to Belarusian petroleum refineries.

29/09/2010

**Source: Ukrainian News Agency**

## WB Approves Additional Financing to Improve Living Environment in Chernobyl Affected Areas of Belarus



US\$30 million Additional Financing Loan for the Republic of Belarus for the Post-Chernobyl Recovery Project (PCRP). The Project provides the population residing in the Chernobyl affected areas of the Brest, Homel and Mahiliou

Voblasts with energy efficient, reliable heat and hot water service.

The Board of the Executive Directors of the World Bank today approved a

The additional financing will provide for more investments similar to those implemented under the original US\$50 million loan which was approved in 2006.

29/09/2010

**Source: The WB Press Release**

## Gazprom Says Gas Could Cost Belarus \$220

The average price of gas for Belarus next year could be \$220 per thousand cubic meters, compared to \$185 in 2010, Andrei Kruglov, deputy chief executive of Russia's Gazprom, told reporters in Minsk.

"If we assume oil prices next year will



be the same as in Q4 2010, then it is anticipated that the average price of gas for Belarus in 2011 will be around \$220. I think it will be around \$185 this year," said Kruglov.

He also added that the discount mechanism on contract gas prices for Belarus

will be discontinued in 2011. "The price caters for the absence of a reducing coefficient, which was 0.8 in 2009 and 0.9 in 2010. This coefficient will be 1 in 2011," said Kruglov.

01/10/2010

**Source: Kyivpost**

## Revaluation of Fixed Assets in Belarus is Closer to IFRS Standards



On September 30, President of Belarus Alyaksandr Lukashenka signed a decree № 512, which lifted

restrictions on the methods of fixed asset revaluation, incomplete construction facilities and uninstalled equipment. Thus, the head of the state brought the national legis-

lation closer to international financial reporting standards (IFRS) "Fixed Assets".

IFRS provides for "the need for regular revaluation of fixed assets without imposing restrictions on the methods of its implementation," the press service of the president, AFN.

Document lifted restrictions imposed under the decree № 622 of 20 October 2006.

In addition, it provided an opportunity to select one of three methods for revaluation: a direct assessment, currency value conversion or index method.

Decree № 512 comes into force on 1 January 2011.

01/10/2010

**Source: Telegraf**

## Deficit in Foreign Trade in Goods Tops 5 Billion Dollars

Belarus had a deficit in foreign trade in goods of \$5,013.6 million from January through August, up from a foreign trade gap of \$4,651.2 million in the same period of last year.

Belarus' foreign trade in goods increased by 16.1 percent in the first eight months of this year to \$35,796.4 million, the National Statistics Committee said.

The country's exports reportedly increased by 17.6 percent to \$15,391.4 million and imports by 15 percent to \$20,405 million.

Belarus had a deficit of \$3,911.3 million in trade with the CIS member countries in the first eight months of 2010, compared with \$5,676 million

in the same period of 2009.

Exports rose by 47.8 percent to \$8,366.5 million and imports by 8.3 percent to \$12,277.8 million. Trade with the CIS countries increased by 21.5 percent to \$20,644.3 million.

Belarus' exports to Russia rose by 48.7 percent to \$6,080.1 million and imports from Russia by 4.8 percent to \$10,913.5 million. Trade between the two countries amounted to \$16,993.6 million, 17.1 percent more than in the first eight months of 2009. The deficit in trade with Russia totaled \$4,833.4 million, down from \$6,328.2 million.

Trade with Kazakhstan increased by 97.8 percent to \$498.7 million. Belarus' exports rose by 54.5 percent to \$316.6 million and imports by 280 percent to \$182.1 million.

Belarus had an export surplus of \$134.5 million in trade with Kazakhstan in the first eight months of 2010, down from \$157.6 million in the same period of 2009.

Trade with non-CIS countries increased by 9.5 percent to \$15,152.1 million in the first eight months, with exports rising by 5.5 percent to \$7,024.9 million and imports by 26.8 percent to \$8,127.2 million. Belarus thus had a trade deficit of \$1,102.3 million, compared with an export surplus of \$1,024.8 million in the same period of the previous year.

04/10/2010

Source: **BelaPAN**

## Cross Subsidies in Gas Price, Energy Tariffs to Be Abolished by 2014



Cross subsidies in gas prices and energy tariffs will be completely removed in Belarus by 2014, Energy Minister of Belarus Alyaksandr Azyarets said at a session of the Presidium of the Council of Ministers which focused on the draft state program to develop the Belarusian energy system for 2011-2015.

"When working on improving the tariff policy we will focus on the measures to remove cross-subsidies in gas prices and energy tariffs by 2014 in order to reduce energy expenses for the real production sector. We will be also working on a regulatory framework for electricity and heat tariffs ensuring the efficient performance of the energy system while it undergoes structural changes," explained Alyaksandr Azyarets.

According to him, preferential prices for natural gas and preferential electricity and heat tariffs for some legal entities and individual entrepreneurs will be abolished in 2012.

Cross subsidies in the prices for natural gas supplied by the Beltopgaz state production organization will be completely eliminated by 2013 and in the tariffs for electricity and heat supplied by the Belenerha organizations by 2014.

According to the Energy Minister, to eliminate cross subsidies in the prices (tariffs) for electricity for individuals there is a need to ensure compensation on an annual basis.

05/10/2010

Source: **BelTA**

## Telecom Austria Buys Remaining Stake in Belarus Mobile Network



The Telekom Austria Group says that it is buying the remaining 30% of SB Telecom, the sole owner of the Belarus based mobile network, for EUR 335 million. The deal is part of a put option agreed between the two companies when Telekom Austria brought its 70% stake in SB Telecom in October 2007.

In addition, a EUR 247.7 million portion of the total performance based deferred consideration of EUR 313.3 million is payable on October 4, 2010 as predetermined performance criteria have been fulfilled.

**Continued on p. 11**

## Telecom Austria Buys Remaining Stake in Belarus Mobile Network (continued from p.10)

The next evaluation date for the settlement of the remaining EUR 65.6 million of the performance related deferred payment will take place in Q1 2011.



Final settlement of the performance related consideration is expected not earlier than Q1 2012.

Telekom Austria Group will settle these obligations out of its existing cash flow.

All of the above payments are included in the Group's current net debt position and will have no impact on the stated Group outlook for 2010.

05/10/2010

Source: Cellular News

## Belarus and China Sign 3.5 US Dollars Loan Agreement

Belarus and China have signed three loan agreements, eight commercial contracts and two framework agreements on the implementation of bilateral projects in energy, construction, industry, road and transport infrastructure for a total of \$3.5 billion. The signing ceremony was held in Beijing during the visit of the Belarusian President to China on October 11.



Representatives of Belarus and China Exim Bank signed a framework agreement on the financing of priority investment projects and loan agreements for the creation of intellectual transport system of Minsk, the electrification of the railway in the Homel and Mahileu voblast, the supply of freight locomotives.

In turn, the Belarusian Ministry of Economy and Chinese engineering SAMS Corporation signed an agreement to establish a joint industrial park in Belarus. The parties also

agreed to implement a number of projects in industry and energy. Chinese investments provide for construction of sulphate bleached pulp plant based on Svetlahorsk Pulp and Board Plant with the capacity

of 400 thousand tons per year, industrial housing and factories of soda ash, Bialoza CCGT plants of 400 MW and Lukoml power plant of 400 MW. Investment agreement with "Beijing Uni - Construction Group" provides construction of the hotel complex "Peking" with service objects in Minsk.

In addition, Chinese companies have to spend about \$600 million for reconstruction of the airport complex Minsk National Airport.

The parties plan to create a modern international passenger terminal, equip the airport with the security and alarm systems, build a second artificial runway to receive A-380 aircraft.

First Vice-Premier of Belarus Uladzimir Siamashka noted that these projects are

of great importance to the economy of Belarus. "We hope that with their help we can catch up with China, which is developing with 11% GDP growth. Catch up on a different scale, but with a good rate of economic growth," he stressed.

According to the first deputy prime minister, these projects are profitable for both Belarus, and China. Deputy Prime Minister believes that they will allow Belarus to speed up the dynamics of development, China - to develop the European market and to prove its viability in the European continent. According to Siamashka, the foundation for development of 100 other projects with China to \$15 billion is currently laid. The First Vice Prime Minister expressed hope that China Eximbank director would sign a number of important documents during his visit to Belarus in this November.

11/10/2010

Source: Telegraf

## Lithuania Strikes Venezuelan Oil-Transit Deal with Belarus

Lithuania has struck a deal to act as hub for an annual 17.5 million barrels of Venezuelan crude oil bound for landlocked neighbour Belarus, officials said Friday.

"We have agreed to sign the accord by the end of October for the transit via Lithuania of Venezuelan oil heading to Belarus," said the Lithuanian government's chief negotiator Deividas Matulionis. The deal covers 2.5

million tonnes of crude a year, he said, or the equivalent of 17.5 million barrels.

Two to three tankers a month are expected to dock in the Lithuanian port of Klaipeda. "The oil should start transiting via Lithuania by the start of next year, but it's possible that it could begin even earlier," said Rokas Masiulis, head of the state-owned oil terminal company Klaipedos Nafta which is based at the port. Masiulis said the transit deal was

set to run for two years but that Klaipedos Nafta aimed to win a longer-term contract.

In August, the port handled a trial shipment of almost 550,00 barrels of Venezuelan crude for Belarus.

11/10/2010

Source: petroleumworld.com