

Consolidation in full measure

Alexander Lukashenko meets General Secretary of Collective Security Treaty Organisation — Nikolai Bordyuzha

— Nikolai Bordyuzha

By Igor Slavinsky

Belarus currently chairs the organisation, so meetings with its leaders are no surprise. It seems Minsk is dedicated to reforming the CSTO by the end of the year — not just in words but in action. Mr. Bordyuzha brought to Minsk's 38 Karl Marx office a draft document which is expected to be signed by the heads of seven states at the forthcoming December summit. He tells us that it comprises around ten articles, with the Collective Rapid Response Forces planned for use not only in rebuff of external aggression.

Mr. Bordyuzha's task has been to register the presidents' discussions at the recent informal meeting and he has succeeded — as we'd expect from a military man.

Meanwhile, new agreements have been achieved since the last Astana summit. The Belarusian and Russian presidents recently met in Sochi, discussing the CSTO's further development, among other subjects.

Mr. Lukashenko told Mr. Bordyuzha and journalists present at the Blue Hall, "We openly voiced our positions on the most topical issues of the informal summit in Astana. If we realise everything we've discussed — especially regarding the use of the Collective Rapid Response Forces — we'll see undisputed progress. We've seriously discussed this issue and it will significantly support CSTO member states. Nobody is going to inflict open warfare but many are itching to stage a constitutional coup, so we must protect the integrity and



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independence of our countries."

As far as armaments for the Collective Rapid Response Forces are concerned, Mr. Lukashenko states that Mr. Medvedev backs Belarus' view that the forces should be armed and manned as soon as possible 'if we want to have an integral organisation'.

The President also re-

marked that, in Sochi, Uzbekistan's special stance within the organisation was discussed. Minsk and Moscow have agreed to act together 'in order to preserve the organisation'. "If someone doesn't want to fulfil its charter functions, they are free to leave so that they do not interfere with others," remarked Mr. Lukashenko.

The strength of any military-political organisation is rooted not in signed documents or weapons but in unity, however simplistic this may sound. This approach is at the heart of another proposal to be made at the December summit. The President explains that an article is being suggested for inclusion among the CSTO's major

documents to allow foreign countries' military bases to be placed on member states' territories with permission from the CSTO Council of Heads of State. "The organisation must be integral and united," stresses the President. In turn, Mr. Bordyuzha notes that the CSTO Secretariat is already preparing alterations to the organisation's charter.

State supports its national currency

Market exchange rate of Belarusian Rouble to be determined at extra session of currency exchange in mid-September

they should be given this opportunity. People should not be restricted in any manner," the President asserted. However, Mr. Lukashenko advised against converting deposits, reminding that banks already offer good interest rates for deposits in Belarusian Roubles. In the near future, interest rates are to be raised even higher.

The President reminded again that Belarus has no need to freeze public banking deposits. He noted that, according to the National Bank's estimations, over \$7bn is held by individuals. "In this respect, I order the National Bank to create terms which will inspire people to take their money to banks. If this proves useful, I'm even ready to study the issue of capital amnesty," he added.

Mr. Lukashenko noted a sustainable trend of positive foreign trade balance, with Belarusian products being more actively exported and the inflow of foreign currency reaching a record high of \$25bn over the first seven months of 2011. From May-July, the country received \$1bn more foreign currency than it spent.

As Mr. Lukashenko noted, in recent months, the country has managed not to

spend its gold and currency reserves. This is not so much the result of currency-related restrictions but of improved macroeconomic policy. "By the end of the year, apart from export earnings, the country will raise at least \$5bn from strategic investors at profitable terms. Other sources have been considered as well," he stressed.

The Head of State believes it necessary that the country establishes proper order in the banking system, while discouraging the public from breaking the law. The President has instructed the National Bank to introduce an electronic system no later than October 2011. Anyone buying foreign currency will need to present their passport, with personal records kept for each buyer — as observed in many countries — including Russia.

"Simultaneously with our rate policy measures, I prohibit the National Bank and the Government from conducting any emission. All construction sites and projects should be financed from reasonable non-emission sources," he stressed. Mr. Lukashenko has named import substitution as a priority, with republican and local budgetary spending to be kept within the limit of

earnings. "All revenue which originates from higher prices should be channelled into social protection measures. This refers to both state-funded and commercial organisations," stated the President, explaining that super profits should be seized. "Businesses, enterprises and individuals who work successfully should understand that now is the time for them to offer their shoulder to the state," Mr. Lukashenko said.

The President addressed entrepreneurs, saying, "We're meeting businesses half way. These are not words but concrete actions. In H1 2011, the fundamental decisions of Directive #4 came into force, envisaging free pricing, the replacement of salary rates with recommendations, the release of salaries, the introduction of economic encouragement measures and the reduction of licensable businesses. This is not a complete list of achievements. Social responsibility for businesses is not a slogan but a guideline," Mr. Lukashenko stressed, adding that Belarus will continue following its socially oriented policy. "No deviations from the policy adopted by the All-Belarus People's Assembly will take place — now or in the future," he emphasised.

Upward trend in exports

Belarus reaches record supply of goods and services in July, according to preliminary data

The Council of Ministers' Presidium recently studied the first results of the 2011-2015 National Export Development Programme. "Preliminary data for July indicates that, this month, we achieved record growth in exports of Belarusian goods and services — almost \$4bn: the highest in the history

of the country's independence," announced Sergei Martynov, Belarus' Foreign Minister.

In recent months, the country's exports have been demonstrating an upward trend, rising 55 percent from January-June 2011 (against the same period of 2010). Export revenue has grown by \$9bn. "We've seriously advanced as a result of new conditions within the Customs Union's market," noted Mr. Martynov.



Rouble will enjoy market rate

At a session focusing on Belarus' social-economic development, Alexander Lukashenko agreed with the National Bank's proposal to open an extra trading session at the currency exchange, to allow free sale and purchase of Dollars, Euros, Russian Roubles and other currency. "All currency demand and proposal will be concentrated on the currency exchange," the Head of State said.

Belarusians will be also able to transfer bank deposits in Roubles into deposits in foreign currency. "If someone wants to transfer their Rouble deposits into foreign currency deposits,

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