

Alexander Lukashenko:

‘It’s important that Belarus has made significant progress in its recent history’

About a hundred journalists from forty Russian regions have attended a traditional tour through Belarus, finishing with a press conference lasting over four hours with President Alexander Lukashenko. Below are extracts from the Head of State’s answers.

On the economic situation

I’ve never talked about there being a ‘crisis’ — since this is when everything collapses. In our case, we faced certain problems relating to foreign currency. It’s a paradox... since our GDP has risen by about 10 percent against the same period of last year, which is very good. However, we aren’t trading oil or natural gas. Rather, we sell what we produce with our hands and brains. Belarus’ economy is based on processing — primarily, machine building and agriculture. However, finding markets is not always easy. We’ve exceeded the Soviet Union’s level almost 2-fold: no mean feat. Meanwhile, we’re seeing a serious deficiency in the labour force; we currently lack enough workers.

We devalued our national currency, also ‘aided’ by some Russian media and some officials who have since left their post. They created an unappealing situation. Moreover, as I’ve told your heads before, we paid a high price for the Single Economic Space. Since July 1st this year, prohibitive duties have been introduced on cars — in Russia’s interest. Right up until July 1st, our population did all it could to import this trash in huge volumes, resulting in an outflow of up to \$3bn — according to experts. However, this is not the major reason. Over the past five years, the Russian Federation has raised its prices for our purchase of energy and raw materials almost 5-fold. Belarus used to be an assembly workshop for the Soviet Union; now, it’s more like an assembly workshop for the Russian Federation.

Of course, we’ve significantly tightened our belts. We’ve had no other option to ensure a positive balance in foreign trade. In recent months, we’ve seen a positive balance but it hasn’t been easy to live a normal life, preserving levels of production and the pace of growth we’ve become accustomed to.



The paradox is that our economy is developing normally. As never before, we’ve received much foreign currency; however, it has not been enough — for the reasons I’ve mentioned. I think we’ll bring the situation under control in the future, including as regards Russian pricing. Talks are underway and, as I’m told, these are quite successful. Russia is determined to uphold its responsibility for equal conditions — as was promised in forming the Single Economic Space...

It’s important that Belarus has made significant progress in recent times, since gaining independence from the Soviet Union. In advancing our economy, we’ve failed to improve our energy spending. This is very important. We are importing the same products as before, despite production volumes almost doubling.

On privatisation

I did not invent diversification. It’s not affordable to focus exclusively on a single party. We have a realistic view. Let’s take Belaruskali: a powerful and effective enter-

prise which earns about \$3bn of foreign currency for our country annually. We aren’t against privatisation and we’re not afraid of it but we’ve openly said that the company’s worth at least \$30bn.

Russia wants to buy this company, which brings in a valuable \$3bn annually; it will pay for itself within ten years. I’m being offered proposals I can hardly mention, as they are so ridiculous. We’re not open to such approaches as nobody here is putting money into their personal pockets, especially the President. I’ve lived through my presidential years without taking anything from my people. If you want to buy something — either assets or shares — you’re welcome, but we are adhering to civilised rules.

You often speak about ‘partner relations under market conditions’ and we’re certainly seeing this. At present, shares in Belaruskali are being sought by China and India (our major markets), in addition to two Western companies whose names I won’t yet mention, Qatar and Russia, and others. We’re putting the enterprise up for tender. We’d love to sell shares to whoever offers the best terms and, in

the long run, pays more.

It’s not true that we suppress Russian capital. We welcome it. Moreover, why shouldn’t we reincorporate the oil refineries as joint stock companies with Russia? Oil is piped from Russia. These refineries are attuned to process ‘Urals’ Russian oil, although we mastered the processing of ‘Azeri Light’ and Venezuelan ‘Santa-Barbara’ oil when Russia turned off our supply; we had to seek an alternative far from Russia. Thank God, this is now in the past as we’re now receiving and processing Russian oil, so why shouldn’t we set up joint stock companies with the source of this oil — with Russia? It’s only right. However, we’re not ready to accept the conditions currently being offered.

Gazprom is now interested in buying 50 percent of Beltransgas, which is estimated to be worth \$5bn. Gazprom agrees this value, so we’re conducting talks with the Russian Federation. Mr. Miller came to Belarus — confirming our interest in prices for gas and transit. Do you really expect me to sell the pipeline if you choose to pump gas to the West via ‘Nord Stream’ — bypassing Belarus? We’ve

told Gazprom that we’ll sell the pipeline on the condition that it’s kept open and that it won’t be shut down. It’s our source of profit as well and around 10,000 of our people work there. Beltransgas is a huge organisation so I must guarantee its normal operation! Gazprom was opposing this for a long time, so we said, “We don’t want to sell. We want this company to stay in Belarus and keep working.” Eventually, Mr. Miller came and said, “Yes, we agree.”

We place very strong social demands on those wishing to privatise. We’re being criticised for privatisation is not heading for the state sector but we’ve never restrained it. However, strict conditions exist: whoever takes over should work in the same manner as a state company. We don’t need investors who simply wish to pay small salaries and reap larger profits. Even high-tech enterprises should operate to our benefit and nobody should be made unemployed — as where else would they find work?

This is why we’re steadily modernising companies ourselves. If anyone agrees to our terms, they’re welcome to make a proposal.

On the geopolitical role of the country

I often hear that Belarus is of no importance to Russians. I’m speaking figuratively but it’s surely less painful for Russia to lose some of its own territory than to lose Belarus. This is not only from a strategic and military-political point of view but in every sense — including moral. I perceive this as if Russians are losing their own people. The same could be said about us when those in the West or someone in Russia starts telling me that I’m ‘flirting with the West, betraying the interests of Russia’. But, as I’ve many times stressed, I’ve never flirted with anyone. I see that course as a dangerous one, with unpredictable results. The truth must always be told, to avoid mess. It’s an approach I adhere to strictly; silence is the only other option.

Whenever I meet anyone, I say, “Don’t expect that I’ll cooperate with the West to the prejudice of Russia.” No one needs this — neither the West nor Russia. We want to be a reliable link between Russia and the European Union. We’ve always been squeezed between them — for our whole history. This is our fate. We must then follow a corresponding policy for the good of all parties. If we don’t, we’ll be reduced to shreds.

On responsibility

Do you know how Belarusians differ from others? In being educated. If a problem arises, they won’t declare: ‘Lukashenko is bad’. This is nonsense. Please forgive me for my immodesty, forgive me for God’s sake, but Belarusians should stick with Lukashenko even in the most critical situation — as a drowning man will clutch at a straw. I’ve never betrayed them and never will. Never! This refers not only to Belarusians but also to you, Russians. Such behaviour is not in my nature. If any problems arise, I always openly explain them to people, as I know they’ll understand me. Do you know why? This is because