

# Perfect degree of integration

By Vladimir Vasiliev

At the Gorki-9 residence, near Moscow, Alexander Lukashenko held talks with his colleague, Dmitry Medvedev. Later, under the Belarusian President's chairmanship, a session of the Supreme State Council of the Union State took place, with important decisions adopted. These allow us to assert that Belarusian-Russian integration has a serious future.

It had only been one week since Mr. Lukashenko and Mr. Medvedev last met (when they joined the President of Kazakhstan, Nursultan Nazarbayev, in discussing the establishment of the Eurasian Economic Union). However, they had much to talk about. Firstly, the Supreme State Council of the Union State has not been organised since 2009. Moreover, the discussion of Belarusian-Russian integration has returned top level: a good sign. Secondly, recently, Mr. Lukashenko, Mr. Medvedev and Mr. Nazarbayev signed documents relating to the Single Economic Space of Belarus, Russia and Kazakhstan, while agreeing on the establishment of the Eurasian Economic Union. This time, the Belarusian and Russian presidents had to discuss 'the role and place of the Union State within the common architecture of integration' — which they did successfully.

Members of the Supreme State Council awaited the end of the talks at Gorki-9's Blue Hall — among them prime ministers and parliamentary heads. "People expect much from this meeting," asserted the Russian Federation Council Chairperson, Valentina Matviyenko, speaking to journalists. Just a few minutes later, Mr. Lukashenko and Mr. Medvedev entered the hall. Their words (immediately taken up by journalists) must



Alexander Lukashenko and Dmitry Medvedev sign final documents as a result of the Moscow session

have warmed Ms. Matviyenko's heart, and those of the citizens of our two countries. "We won't destroy the Union State; rather, we'll develop it," announced Mr. Lukashenko, adding that he and Mr. Medvedev had agreed on this on the eve of Supreme State Council of the Union State session. "This is not just an economic union; it is a military-political union," he stressed.

The Belarusian President explained that he and his colleague had discussed not only economic issues but those dealing with defence and foreign policy. They spoke of foreign challenges shared by Minsk and Moscow. "These are great challenges, which Belarus and Russia must face jointly!" Mr. Lukashenko emphasised. He noted our high level of integration in the social sphere: Belarusians and

Russians enjoy almost equal rights in each state (as the Kazakhs do not yet). As the President stressed, the Union State has more aspects of integration than that of the Single Economic Space. It is the focus for all integration projects within the post-Soviet space.

"We need to follow this path, strengthening it further," Mr. Lukashenko stressed, admitting that 'the further we travel, the more difficult the path will be.' "However, we are fully ready to follow this path," he added. Mr. Medvedev was equally decisive, noting, "Symbolically and importantly, the process of Belarusian-Russian integration has been recently activated." He reported on turnover, stating that, in the first nine months of 2011, trade rose by 40 percent. He hopes to see bilateral turnover reach \$40bn by the end of this

year (not long ago, \$35bn was forecast). Fresh trends have inspired optimism, although Mr. Medvedev added that there is more to life than trade figures. He emphasised, "It's vital for our two states' citizens to enjoy a better standard of living, feeling more confident!"

The package of documents signed at Gorki-9 aims to enhance people's wellbeing. From January 1st, 2012, Belarus will buy Russian gas at \$165 per 1,000 cubic metres — against the average European price of \$400. "This is a serious discount which will allow the Belarusian economy to save at least \$2bn," noted Russian PM Vladimir Putin. In addition, Gazprom is to buy the remaining 50 percent of Beltransgas' shares for \$2.5bn — giving it 100 percent ownership.

Issues relating to Russian

gas transit through Belarus were settled successfully and to Belarus' benefit. It seems that the First Deputy Prime Minister, Vladimir Semashko, and Gazprom's Head, Alexey Miller, won't be spending December 31st in the glass office of Moscow's Nametkin Street, since both sides are satisfied with the arrangement; the men were shining with mutual respect. As the Belarusian delegation notes, the price for 2012 is favourable for the economy and the gas price set meets the basic principle of integration, ensuring equal conditions for companies in our two states.

In addition, Russia is allocating a \$10bn loan to Belarus, to construct its nuclear power station; the repayment period covers 15 years.

"Despite complex economic conditions, the Union State's

budget has kept its former volume," Mr. Medvedev commented. It reaches almost 5bn Russian Roubles, allowing the financing of 39 programmes — generating new orders, innovations and jobs.

The Supreme State Council of the Union State announced its gratitude to the Union State's retiring State Secretary, Pavel Borodin, praising his many years of work in the post and his significant contribution to integration. Grigory Rapota, the former Plenipotentiary of the Russian President in the Privolzhsky Federal District, is taking on the position. Minsk hopes that the experienced manager and reserve General, Mr. Rapota, will 'bring new impetus to the Union State, making its bodies efficient and reflecting modern conditions'. No doubt, much work lies ahead for Mr. Rapota.

## Quickly and calmly

While the world's media discuss the global consequences of the integration of Belarus, Russia and Kazakhstan, the residents of our three states have definite issues to resolve regarding how the Single Economic Space and future Eurasian Union will operate and what changes 2012 will bring. Alexander Lukashenko gave detailed answers to these questions in his interview for Russiya TV channel.

### About the Eurasian Union

According to Mr. Lukashenko, it can be formed by 2013. "We've prepared the basis [the Single Economic Space] within a year and a half. Let's finish by late 2013. You know, Dmitry Medvedev and Nursultan Nazarbayev say that we're quite able to do this!"

The Belarusian President believes that the most important phase — movement towards the Union — has already begun. "The momentum of this movement won't allow us to deviate from our path. Importantly, we are

moving towards greater unification and greater unity." He stresses that the Eurasian Union isn't a single state, but a 'union of sovereign countries with supra-national bodies'.

### About the single currency

The Belarusian President notes that the creation of a single currency within the Eurasian Union is possible. "We may use the Russian Rouble, if it suits everyone," he explained.

Naturally, the transition towards a single currency must be carefully considered, so that the mistakes of the

Eurozone are not repeated. "A house should be built from the foundations up," summed up Mr. Lukashenko.

### About supra-national bodies

Mr. Lukashenko explained that the Eurasian Economic Commission is to be given around 175 national functions. He noted, "The Commission's headquarters will be situated in Moscow. I've never suggested that it be located in Minsk. It makes no difference to us, from the point of view of our own ambitions and interests, whether Moscow or Minsk is chosen."

The President believes that, to ensure efficiency, all the supra-national bodies should be located within one city, saying, "I advocate that departments aren't spread across various capitals."

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