

National Bank ordered to sustain stable situation for the economy overall

During her working meeting with the President, the Chair of the National Bank's Board — Nadezhda Yermakova — described the situation on the currency market, focusing on liquidity in the banking system and the financing of the economy

“The situation on the currency market is currently calm, with people selling foreign currency. Taking into account the slight strengthening of the Belarusian Rouble against the Dollar, the public has even increased its volumes of such sales,” noted Ms. Yermakova.

According to the National Bank, the public has sold around \$640m since September 14th — when an additional session was launched at the Belarusian Currency and Stock Exchange. Banks have sold \$550m of this sum. Meanwhile, volumes of obligatory sales of foreign currency have risen. Before the additional session was introduced, about \$28m was sold daily; this figure now stands at \$40-41m.

Ms. Yermakova believes that the banking system has slightly improved its liquidity, with the National Bank cutting its support for banks by about Br500bn. She

also notes the inflow of individuals' bank deposits — both in Belarusian Roubles and foreign currency. In November, an additional Br126bn and \$60m (in equivalent) were attracted.

According to Ms. Yermakova, the national economy has slightly reduced its volume of credits — due to the increased refinancing rate and, accordingly, increased interest rates on loans. The National Bank did this intentionally, with the aim of restraining inflationary growth. The country continues allocating credits to individuals on privileged terms to construct accommodation. In

November alone, Br800bn was allocated, with no problems registered.

Belarus' gold and currency reserves have grown stronger, owing to the arrival of \$2.5bn in payment for Beltransgas' shares. The National Bank hopes also to receive a second tranche — worth \$400m — from the EurAsEC Anti-Crisis Fund. The volume of the country's gold and currency reserves should reach planned figures outlined for late 2011.

The President has ordered the National Bank to sustain stability on the currency market and for the economy overall.



N. Yermakova views situation with optimism

Such agreements more valuable than money

In recent weeks, integration has received more coverage than any other topic within the post-Soviet space. On November 25th, a serious package of documents was signed at a session of the Supreme State Council of the Belarus-Russia Union State, supplementing agreements relating to the establishment of the Eurasian Union.

By Kirill Yemelyanov

An agreement to form the Eurasian Economic Commission has been ratified by the parliaments, making it the first step on the path to forming the Eurasian Union. Belarusian deputies have followed their Russian colleagues in this matter. A supreme executive body is being created, acting as the future Eurasian Union's government. The Commission is to feature the Deputy Prime Minister and three other representatives from each country.

In order for its normative base to comply with international obligations, Belarus has obtained a grace period until 2017 — as Deputy PM Sergei Rumas has informed. By this time, the regulation should have been lifted which currently en-



Fair winds of integration for Belarus, Russia and Kazakhstan

ages the obligatory sale of some part of companies' foreign currency revenue. Deputy Anatoly Glaz asked whether this means that no single foreign currency will be introduced in our Union until then, to which Mr. Rumas replied, “To shift to a single currency, basic conditions are needed to harmonise our three countries' foreign currency policy. At the moment, we have different approaches, so it's too early to speak of a single currency — at least, no talks are being conducted at present.”

The deputies have no doubt as to the need to strengthen our integration, especially considering growing globalisation and competition on international markets. Only an integrated union can guarantee dynamic development. “As a good example, the Customs Union has led to mutu-

al trade between our three countries rising by 40 percent — almost reaching \$60bn in the first half of the year. Meanwhile, Belarus-Kazakhstan turnover has increased 5-fold. Post-Soviet states have more reason to unite than those in Western Europe, which inspires confidence in the future,” asserted the Chairman of the Standing Committee of the House of Representatives, Nikolai Samoseiko.

His colleague, Valentina Leonenko, is convinced that the Belarus-Russia Union State won't be lost within the Eurasian configuration; rather, she believes that it will inspire further liaison, as confirmed by agreements reached during a session of Supreme State Council of the Belarus-Russia Union State in Moscow. Gazprom has already transferred \$2.5bn to Belarus to pay for its

cent acquisition of the remaining 50 percent of Beltransgas' shares. Gas prices for Belarus are being cut to \$165 in 2012, which should save \$2bn from the Belarusian budget annually. Politologist Yuri Shevtsov considers the sale of the gas pipe to be ‘interlinked with Belarus' guaranteed transition to low gas prices’. He adds, “This gives Belarusian industrial enterprises a more level footing on the Russian market — at least, for the near future.” In 2014, equal gas prices are hoped for.

Russia has announced its readiness to allocate a \$10bn loan to construct a Belarusian nuclear power station. The ultimate goal of all uniting initiatives is to improve social conditions for residents, giving them a better standard of living, as politicians and experts stress.

CSTO on verge of serious change

By Igor Slavinsky

Alexander Lukashenko, who chairs the organisation at present, has a package of documents which he hopes to see adopted on December 20th in Moscow, making the CSTO a capable and mobile military-political block

During the year of Minsk presiding over the Collective Security Treaty Organisation (CSTO), General Secretary Nikolai Bordyuzha visited Minsk for the ninth time, showing that serious reform is on the cards. There is no alternative, as economic integration is hardly possible without a reliable military-political screen — as world practise shows. The European Union and NATO work closely while, within the post-Soviet space, the Single Economic Space is due to launch very soon. The idea of a Eurasian Union is in the air but working mechanisms for security provision are needed.

On meeting Mr. Lukashenko in Minsk, Mr. Bordyuzha noted how resultful the past year has been for the organisation, expressing his admiration for Belarus' chairmanship. In fairness, recent events have inspired the Eurasian alliance to act. Bloody events in Kyrgyzstan, towards which the allies remained almost indifferent, brought issues to a head, as the charter documents envisage responsibility for incidents of this kind.

The young military-political block needs to enhance its efficiency, while increasing its authority within the international arena. To achieve this, Belarus is proposing to join the UN's peace keeping forces. All legal aspects have been settled and talks with Ban Ki-moon have been conducted. The global organisation is keen to receive this support, as CSTO member states boast quite strong ‘muscles’. CSTO foreign ministers recently met at a session of the Ministerial Council of the Organisation for Security and Co-operation in Europe (OSCE) in Vilnius — sharing almost the same views.