

# Belarus' path: patriotism, intellect, progress

On May 8th, Alexander Lukashenko, the President of the Republic of Belarus, delivers State of the Nation Address to the Belarusian people and the National Assembly at the House of Representatives

Honourable deputies, members of the Council of the Republic and guests! Dear compatriots!

Last year, we all had the opportunity to see how rapidly the world around us is changing.

The huge Arab Region has broken into chaos — including countries considered to be bulwarks of stability.

Over the last year, the European Union has been on the brink of financial collapse: countries traditionally considered as affluent have suddenly found themselves one step away from failure.

Greece has been succoured by the whole world, with a hundred billion Euros thrown at its rescue. However, this has not been enough. After Greece, this fever attacked Spain, Ireland and Portugal. Even Italy, with one of the largest economies in Europe, found itself on the edge of disaster.

The United Kingdom — the oldest European democracy — was shocked by a chain of unbridled riots which verged on street fighting. The same situation was evident in the United States — another traditional bulwark of stability.

Moreover, villainous acts of terrorism and extreme nationalism occurred in countries which are usually thought of as boasting the ideals of peace (Norway and France). It's hardly thinkable that almost 80 people are dead at the hands of a man who seemed to be right-minded but was, in fact, a coldblooded murderer.

We are also affected by this kind of disaster. We can avoid neither economic problems nor others similar to those seen in Europe.

This indicates that the world is very narrow place, with countries being interdependent.

Were these events one-offs or do they have objective reasons?

Hardly anyone expected these events but today's world is changing faster than ever: faster than the twentieth century.

**The winners are those who are ahead of their time or, at least, who move with the times.** Let this be an example to all of us.

Momentously, Belarus has entered its third decade of independence. I speak of this not to underline its 'jubilee', which is of little importance, but to note that the **first new generation** of Belarusians born and raised in the sovereign state has reached adulthood. **Their Homeland is the Republic of Belarus; their future is the future of this country.**

**This new generation is living in a new age, full of fundamental change and threats, which bring anxiety.** Our common task — as representatives of power in modern Belarus — is to do all we can **to turn these challenges into opportunities and success for the country.**

Wealth is not a goal in itself. Rather, I'm convinced that the driving

force of progress is **patriotism**. The way forward is impossible without a genuine love for our Homeland, the land of our ancestors. Patriotism is not manifested in words and slogans, but **in our life philosophy** and in our daily labours. It is manifested in the fact that we live not only for ourselves but for our Homeland.

There may be many changes around us but this truth remains

in the sand and postponed making essential decisions as our warning.

The main lesson we should learn is that **we need to live within our means**. We cannot spend more than we earn. If we have money we can spend it; if not, we must earn it. To print blank money or live in debt is a dead end.

In order to enter a new phase in our economic activity in coming

country.

Before we can achieve this, we must:

- 1) orient business towards local raw materials;
- 2) promote import substitution;
- 3) focus on employment in small and medium-sized cities;
- 4) be export-oriented;
- 5) ensure high profitability and productivity, in order to raise wages.

investments are encouraged.

These should be **projects which fundamentally change the face of production of our country**. When the chief executive of a ministry or of a region leads a specific project, he'll better sympathise with the problems facing investors.

Yes, financial support of strategically significant projects will continue but there will be no funding given 'indiscriminately'! There has been no such distribution.

Public-private partnerships are much discussed, as joint and responsible liaisons create a rich and prosperous country.

**The current phase of modernisation in the country must ensure the liberation of private initiative and offer a real incentive to private investment: foreign and domestic.**

From here, the **second area, of attracting direct investment**, will result. We talk about this a lot but see no significant results. It seems that investors exist for individual projects but, in the end, it's a drop in the ocean.

We can blame nobody but ourselves. Our country is a place where investors are keen to come, being attracted by our stability, honesty, reliability and low levels of corruption. However, they face a wall of bureaucracy and indifference at executive committees and ministries, which quashes any desire to invest. Foreign businessmen cannot get an appointment with a manager to discuss their investment proposal. They go from office to office, spending months seeking approvals and permits, and are obliged to seek loop-holes, until they address the President, trying to reach out and implement their investment project.

Even more difficult are cases where our domestic entrepreneurs want to invest. They cannot get anywhere at all. If only we gave them the opportunity to invest in their own country, there would be fewer cases of concealment of income and capital flight.

Members of Government, chairmen of executive committees and all leaders must radically change their style and methods of working with investors: foreign and Belarusian.

Accordingly, I charge **the Government and the Administration of the President** to consult once again with the private sector: not only with the 'big sharks of business' but with medium-sized and small-sized entrepreneurs. They must contact essential investors working in our country to find out what they need, and what is lacking, to discover what we have missed.

Belarus should become an attractive country for investment for all purposes.

The imminent adoption of the **Law On Investments** is an important step in this direction. I ask all deputies to consider this document carefully.



Alexander Lukashenko delivers State of the Nation Address to Belarusian people and National Assembly

eternal. Patriotism was, is and shall remain the **eternal principle of our national identity**. It is an eternal value which binds generations.

**Our central principles and our way remain unchanged.**

However, Belarus will not remain the same for ever, as times change and we must adapt. We must not fall behind! We need to see a powerful and rapid breakthrough in all spheres. Above all, the economy is at the foundation of such success.

**'A new economy for a new generation'** should be our key slogan for our time. Last year, with oil and gas prices at an all-time high for our country, our economy endured. We began 2012 well and, in the first quarter, saw a positive balance in foreign trade. The inflow of currency was \$1.3bn more than our outflow, while gold and foreign exchange reserves and exports rose and inflation slowed. People's incomes are gradually increasing, while unemployment stands at almost zero.

Even foreign experts who bear no love for Belarus admit that we have built a successful anti-crisis policy. We can say confidently that **we are enduring this difficult period in the history of our country with dignity**. Being honest with ourselves, we can say that the past year saw many economic problems. However, we're eliminating these without delay. We should use the example of those European countries which hid their heads

days, we need to focus on several **fundamentals**.

**The first area is modernisation of the economy.**

We have reached our limit of production possibilities via traditional means, with business rivals and customers breathing down the neck of our producers.

The well-being of people is growing, leading to more demand for high quality products and diverse services. Yesterday, low prices won the day; now, they are not enough.

The Customs Union and the Single Economic Space have created conditions of powerful competition — including within our own market. With the upcoming accession of Russia, Kazakhstan and Belarus to the World Trade Organisation, we will be obliged to compete not only with our partners in the SES.

**Our manufacturers need to become economically competitive, with the highest standards of consumption.**

This requires effective economic instruments and incentives, as well as competent administrative action.

**The essence of our economic policy** comprises the creation of new highly-productive jobs at newly established enterprises and at existing firms, with the promotion of self-employment, entrepreneurship and initiative. This will **raise the responsibility of each of us, working for ourselves, our family and our**