

# Holiday unites us in high and noble goals

Head of State Alexander Lukashenko congratulates Orthodox Christians on Christmas

President Lukashenko has written: ‘Thousands of years pass, yet the great solemnity of the holy night still brings joy to millions of people, uniting them in high and noble goals. The star of Bethlehem lit the way towards

mercy and goodness, love and hopes for the future, filled with mutual understanding and prosperity. Christmas is a family holiday, celebrated with close relatives and friends, encircled with their tenderness and care.

In preserving our Christmas traditions, we consolidate the invisible ties between generations. May these joyous days fill us with pure thoughts, inspire us to pious deeds and bring us warmth and positivity, while brightening us

with faith and strengthening our spiritual and moral foundations. May prosperity, trust and understanding live in every family’.

Mr. Lukashenko sincerely wishes everyone health, happiness, peace and success.

# Integration success relies on keeping up with the times

Single Economic Space requires efforts from all members

By Timofey Kostolevsky

Since early 2012, the Customs Union partners of Belarus, Russia and Kazakhstan have been enjoying life in the new Single Economic Space. The process of integration is now completely settled but there are many small obstacles yet to overcome. Naturally, our newly open market will bring tougher competition for enterprises, encouraging Belarus towards a more liberal economic policy.

In January, a package of 17 international agreements relating to the Single Economic Space became operational, allowing free movement for commodities, services, capital and labour. The Eurasian Economic Commission is to govern integration within the Single Economic Space and the Customs Union (as decided at the Summit, held in December 2011). A gradual shift of Customs Union members towards a Single Economic Space is also envisaged — following WTO norms and principles. A Eurasian Economic Union is the ultimate goal.

“Conditions of economic activity are drastically changing, as Single Economic Space agreements come into force,” explains Professor Georgy Grits, of the Belarusian State University’s Institute of Continuous Education. “However, a transitory period is envisaged — similar to that dealing with Russia’s joining of the WTO.” Of principal importance to Belarus is the use of non-tariff methods to support national manufacturers; this would



Brest’s Savushkin Product JSC increases exports to 52 percent of total production volume

be impossible without co-ordination with other SES members. Equal conditions are to be gradually established for legal entities — regardless of whether they are privately owned or state run, national or foreign. “Tougher competition will allow the launch of major reforms regarding trade, and liberalisation as a whole,” believes Prof. Grits.

Most Belarusian producers need to promptly alter their approach, as many still tend to rely on state support; the major share of GDP in Belarus originates from state run enterprises while, in Russia and Ka-

zakhstan, private companies play a much bigger role. Efficiency rises dramatically when the safety net of state subsidy is removed. However, Belarusian private businesses seem to be wary of the new open market, despite simplified conditions for exports. Of course, competition is now stronger, so domestic businesses need to tighten their reigns, to ensure that they are working efficiently. As the Chairman of the Minsk Capital Association of Entrepreneurs and Employers, Vladimir Karyagin, explains, “The major challenge for us this year is to strengthen mobility, competi-

tiveness and internationalisation of businesses. Much will depend on actions adopted jointly with the Government.”

Under the new Single Economic Space, not only services and commodities but capital and workers may move freely. During the economic crisis of 2011, some Belarusian entrepreneurs began registering their businesses in Russia and Kazakhstan; however, the new union eradicates differences. Enterprises can now be set up in one country while working in another, operating under equal conditions. “On registering their

business in Russia and Kazakhstan, our entrepreneurs gain access to their credit-financial systems. Firms should take advantage of the new situation, working anywhere possible,” adds Mr. Karyagin.

Naturally, a transitory period is to be expected, with some issues still to be resolved regarding equality. State bodies and legal entities need to react swiftly to the new situation so that, by January 1st, 2013, our three countries’ macroeconomic figures are synchronised — including in their level of inflation. No one should lag behind.

# Belarus makes noticeable impact on CSTO initiatives

2011 saw Belarus chair the Collective Security Treaty Organisation (CSTO)

CSTO General Secretary Nikolai Bordyuzha has assessed the results of Belarus’ presidency, noting, “Our priorities are to strengthen security in the region. Those proposed by Minsk aren’t limited to the past year, as it has aimed to create stepping stones for the CSTO’s work for years to come. The organisation of peacekeeping with the UN has been on the agenda, with an efficient mechanism of collaboration set out, as confirmed by UN Secretary-General Ban Ki-moon, speaking on April 22nd at an extended session of the CSTO

Permanent Council in Moscow.”

The Belarusian proposal to set up a partnership institute within the CSTO is also a priority task for the organisation. It could become a real instrument for the development of relations between the CSTO and other international organisations and states.

A draft target programme has been elaborated to equip the CSTO Collective Rapid Response Forces with contemporary weaponry. Military-industrial enterprises from CSTO states will produce these, aiding employment and the development of dozens of defence related enterprises.

Each of the areas proposed by

Minsk as a priority will become a focus for more than a year, with Belarusian initiatives implemented for some time to come. Each is essential in supporting the development of the CSTO — not just in the military sphere.

Security issues are a priority in resisting terrorism and extremism, illegal drug trafficking and illegal migration. Moreover, strategies are needed to deal with emergency situations (natural and technogenic) and to tackle cyber crime. Over recent years, the CSTO has organised well-thought out military co-operation, able to react to a wide range of contemporary threats and challenges.

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