

Good weather in Klaipeda

Belarusians bring spring to Klaipeda, in snowy Lithuania, where Baltic Sea winds encourage spring melt

By Nina Romanova

When the Belarusian delegation arrived at the 9th Belarusian-Lithuanian Economic Forum in Klaipeda, the Mayor of Klaipeda, Vytautas Grubliauskas, sang *What a Wonderful World* to welcome his guests. He then admitted that it had been the first song that he had learnt in his youth, for playing on the saxophone. Although he admitted that it had been many years since he had sung the beautiful song, he smiled that his heart was joyous at the recent news delivered by Belarus' Prime Minister, Mikhail Myasnikovich. Volumes of Belarusian cargo through Klaipeda may double, leading to Mr. Grubliauskas' delighted mood. He even noted that he felt like dancing.

As industrial production is falling in the EU, this leaves Belarus in a good position. Speaking to Lithuanian businessmen and politicians at the Klaipeda forum, it's clear that they are keen to develop relations with Belarus, which they feel to be a safe haven for investments. Naturally, no one wishes to risk their finances.

Lithuanian Prime Minister Algirdas Butkevicius also welcomed guests to the forum, calling our country the most important partner of the Lithuanian Republic in the economic sphere. He stressed the inseparableness of our historical and cultural ties and noted that the 700km Belarusian-Lithuanian border is a line of unity rather than division, forming no obstacle to human, trade or cultural relations between Belarus and Lithuania.

Belarus is Lithuania's sixth most important market and Lithuania is our third largest investor after the USA and Russia. This fact alone makes us strategic partners. Lithuania's EU membership has quadrupled its exports, which opens doors to Belarus also, as the Lithuanian PM emphasised. He explained, "The Lithuanian presidency of the

Belarus and Lithuania are an indispensable part of Europe

Lithuanian Prime Minister Algirdas Butkevicius tells us his views...

Mr. Prime Minister, our readers feel that Lithuania is close historically and culturally. How do you perceive Belarus and what connect you with Belarus?

Lithuania and Belarus were one state for many centuries so our historical and cultural heritage is, of course, the foundation for our relations. We can't be indifferent to the fate of our neighbours. Undoubtedly, Lithuania was and remains keen to see stable and friendly neighbourly relations with a democratic and flourishing Belarus — based on principals of good will and mutual benefit.

What influence does the Lithuanian business community have on Lithuanian foreign policy towards Belarus?

We should remember that Lithuania and Belarus are neighbours, so we have no other choice but to collaborate. We must develop trade and economic contacts — including cargo transit and culture. Lithuanians and Belarusians are hard working so our potential for co-operative development is far from



Algirdas Butkevicius and Mikhail Myasnikovich

exhausted.

Will Lithuania use its EU presidency to promote mutually beneficial collaboration with Belarus and smoother Belarusian-EU relations?

I believe that Belarus, like Lithuania, is an indispensable part of Europe. However, it's no secret that, over recent

years, relations between Belarus and the EU could have been better. Belarusian PM Mikhail Myasnikovich stresses that Belarus is keen to enjoy deeper collaboration with the EU and several important steps have already been taken. We hope to pave the way to renewed dialogue between the EU and Belarus.

EU is a good opportunity to renew EU-Belarus relations. Lithuania is ready to assist Belarus in moving forward in this way." Evidently, two-way traffic is possible.

Belarus' Prime Minister, Mikhail Myasnikovich, underlined in his speech that Lithuania and Belarus are members of one European family. Intensifying contacts can only benefit both nations. Mr. Myasnikovich emphasised the importance of trust and of removing false stereotypes. There is more profit to be had from setting up joint companies than from isolation and protectionism. Of course, trust, mutual respect and political will are needed to unlock the huge potential of our bilateral collaboration.

Mr. Myasnikovich noted that Lithuanian businesses are most likely to be interested in



At the Belarusian-Lithuanian Economic Forum

transport and logistics' growth, since Belarus is responsible for a third of Klaipeda port's shipping volumes and this could soon double. Since transport

and logistics are the strongest source of income for the Lithuanian economy, influencing the country's welfare, this is a strategic step.

Other areas for Belarus and Lithuania to develop are industrial and agricultural. The Belarusian PM especially thanked Sigitas Paulauskas, the Chairman of the Board of Vakarų Medienos Grupė (VMG), for particularly successful interaction.

30 new innovative production spheres are being developed in Belarus, including many involving Lithuanian funding of joint projects. Of course, the Common Economic Space opens further doors to profitable interaction. Mr. Myasnikovich stressed that Belarus sees the SES as an addition to the EU rather than an alternative. President Lukashenko came up with the idea of this integration of integrations, aiming at mutually beneficial co-operation for the EU and CES. Naturally, Belarus

wishes to enjoy good relations with the EU, to aid trade and investment. Political dictation and sanctions should become things of the past.

Speaking with participants of the forum, it was clear that negativity is in the past. The Mayor of Klaipeda urged everyone to ponder the world we live in, rather than only thinking about figures. He philosophised, "Who knows which unions we'll belong to within the next decade? No one knows what will happen with the Euro. Only one thing remains unchanged: our desire to work together."

Mr. Grubliauskas remarked that the population is increasing in Africa and Asia while Europe is seeing the opposite, making it necessary for the EU to look at every opportunity. He recognises Belarus' industrial potential and new avenues of growth, which could benefit Lithuanian businesses. The latter are hungry for change and a creative approach, which is sometimes lacking in Europe, due to its de-industrialisation. Addressing those present, he called on them to shape society in a responsible fashion.

Of course, the Lithuanian and Belarusian businessmen present hardly needed encouragement; within five minutes, they were seriously discussing projects.

I asked the Ambassador of the Lithuanian Republic to Belarus, H.E. Mr. Evaldas Ignatavičius, "Mr. Ambassador! We know that the Roman Forum was a square where citizens expressed their will, adopting democratic decisions. The business community has expressed its will at this Belarusian-Lithuanian forum. Now, if politicians act democratically, they should make certain decisions. What will these be?"

"We advocate dialogue," responded the Ambassador. "Efforts are needed on both sides. President Lukashenko expressed his hope that the Lithuanian presidency of the EU will promote Belarusian-European relations."

Memorandums worth of 90 million Euros

By Yury Chernyakevich

Lithuanian ARVI and VMG Groups to set up several new productions in Belarus

The Chairman of the Belarusian Business Council on Trade and Economic Co-operation with Lithuania and First Deputy Chairman of BPS-Sberbank's Board, Vladimir Koleda, noted that Lithuanian investors allocate considerable financial resources for the construction of factories in the sphere of wood processing and processing of raw animal materials.

"The banking system of Belarus is ready to become a partner for the

Lithuanian business in developing co-operation in our country. Two memorandums — worth around 90m Euros — have been signed. The funds will be utilised within the next two years," notes Mr. Koleda.

The agreements mean the expansion of collaboration between BPS-Sberbank and ARVI Group, as well as VMG Group. The bank acts as a financial partner for the companies.

ARVI is currently implementing a project in Belarus aimed to breed and process turkey meat, alongside the construction of a plant to process raw animal material for the production of tankage and animal fat. "The

total investments into this project will make up 50m Euros," adds the BPS-Sberbank representative.

VMG is to implement a project dealing with the construction of a wood processing plant in Mogilev. The total investment in the project will total around 40m Euros. "The products of the new plant will meet the world's best standards, enjoying high demand on the western markets," continues Mr. Koleda. "The products that will be manufactured at the plant are currently imported to the country. That's why the project will also solve an import-substitution task," asserts Mr. Koleda.

Meanwhile, a cluster of Lithuania-funded companies has been already set up in Mogilev. BPS-Sberbank is ready to allocate up to \$300m to support Lithuanian business in Belarus. This will be also promoted by a relevant memorandum signed to provide financial assistance to the Lithuanian cluster of enterprises in the Mogilev free economic zone.

According to Mr. Koleda, the Belarusian-Lithuanian Economic Forum in Klaipeda has become a perfect platform for establishing new business contacts between the two countries.

In his turn, Chairman of the Lithuanian Business Council on Econom-

ic and Trade Co-operation with Belarus and Chairman of VMG's Board, Sigitas Paulauskas, stresses that the range of issues regarding Lithuanian business in Belarus is rather wide. It includes processing industry, power engineering, tourism and furniture industry. "The forum confirmed once again that there're no unsettled issues. The governments are ready to address all border issues so that vehicles with cargoes don't stand and people who cross the border don't wait," Mr. Paulauskas underlines. "This is a very burning issue since last year alone the Lithuanian border was crossed from the Belarusian side 2.5m times."