

ernment. The main task is outlined in the country's development guidelines for the coming year. Plans take almost a year to draft, so after the first quarter we'll be working on major areas for 2014.

Until the Government agrees them with governors, they will not send them to me. Everything has to be agreed upon, as governors and the Government will be responsible for meeting these targets. After the financial turmoil, I believe, if in 2012 we have the GDP growth of 5-6 percent and the growth across related indicators, we'll thank the Government but we failed to achieve this, despite various heads of enterprises assuring me that they'd be able to provide 8 percent growth. They emphasised: 'Yes, we're convinced. We have calculations. We have everything'. I didn't decide a target of 8 percent while sitting in my office; others made promises. Of course, I could have done so, as is my right, but I'd never be so exacting, as I'm an economist. I understand that figures can only be forecast when accompanied by corresponding calculations.

To those who say that my expectations are unrealistic, I'd like to note that I formalize them, approve them. I demand, of course, a certain balance to the economy. I want people's incomes to increase, I want people to live a normal life, to have decent salaries so that they could provide for their families.

As far as I understand, BATE forward Rodionov, whom I respect, would like to ask me about the rational use of funds. It's an issue close to my heart. BATE should feel grateful for having been tax exempt in recent years, allowing players to receive greater salaries. Even this money wouldn't be enough to build a stadium in Borisov but the state is helping fund the construction, contributing more funds than the clubs I believe.

I wouldn't say that we've spent money irrationally in building sports facilities for athletes but Rodionov should understand that I do have serious questions for our sportsmen. We need to see results, as BATE has given us in the past. Saying this, BATE's recent play has left much to be desired. I was watching its return matches against the Spaniards, Germans and French — after brilliant first matches — and had to switch off the TV as I felt embarrassed. It was really frustrating to see our sportsmen allow four goals into their net. I always keep a close eye on athletes, since their performance means so much to our country and

influences how others view our state.

Naturally, athletes need to be paid, so we'll regulate the situation, making sure they receive salaries with which to care for their families and to train. If they show results, they'll receive more.

A musician called Kullinkovich asks whether I am aware of 'black lists' for some Belarusian performers but, frankly, I know nothing about this. I've asked the Head of the Presidential Administration and his Deputy for Ideology to tell me if these 'black lists' exist as, believe me, I haven't given such instructions to anyone. If 'black lists' do exist, I'm really unaware of them and would like to know more.



The Press Service gave me these questions and I'm sure you weren't expecting them, so I apologise if I've distracted your attention. I decided to answer them so that no one can reproach me for answering only 'suitable' questions by a select few. I've also answered 'unfavourable' questions.

### Priorities

We can ensure that our country enjoys the essential requirements of stability and peace, so that citizens can lead normal lives. I've been concerned by the potential for financial confusion on joining the Single Economic Space — and by related issues. You may remember that we introduced duties on vehicles, leading to our citizens' spending \$3bn on importing them.

We've almost spent our gold-and-currency reserves. I felt that it was important to stabilise our financial situation and we've done so. Moreover, our gold-and-currency reserves have achieved \$8.2bn. We have a deficit-free budget and, even, a small net surplus. We've financed all the measures we'd planned. No apoc-

alyse occurred and the national currency didn't crash on January 1st — despite SMS-messages designed to inspire panic. Economic stability has been the main priority. We've achieved this while remaining within our target figures, including for inflation. We've also created a reserve for this year.

I should tell you that what our ill-wishers and enemies predict won't come true. This won't happen. We'll continue to exist as a stable and independent state!

### Currency exchange rate

In honesty, there have been times, as you know, when we tried to restrain the Belarusian Rouble exchange rate. You know what this led to, so the National

Bank and the Government have been strictly instructed to never artificially restrain it again! The National Bank has been trying to keep the exchange rate steady for the last 18 months to 2 years. It was ready to step in if drastic falls or surges were evident but there was no such necessity last year.

I've always said that we're using a real market exchange rate for the Belarusian Rouble, so there's no need to rush to currency exchange offices and stand in queues.

Speculation regarding devaluation is ridiculous. Those who did so last year have seen us generate about \$5bn more in foreign currency from exports than in 2011, despite an adverse world market. We won't artificially restrain the exchange rate, ensuring that it only reflects the true cost of US Dollars or Euros. Drastic falls or surges may affect the exchange rate, as is common practice worldwide.

### Latin American, Asian and African markets

There was a time when we didn't sell anything to Latin America; now, our trade turnover is worth

\$3.5bn, with our exports accounting for around \$2bn: very much in our favour. This is my answer to those who were cynical about us entering this market. We should go anywhere we're welcome! Looking at Venezuela, Brazil and other countries, it's clear that we have many commodities which are in demand there. Venezuela is our stepping off point for sales to Ecuador, Cuba and the Central American countries — such as Nicaragua and, especially, Brazil. We'd like to gain a foothold there soon, aiming for at least \$5bn of trade turnover on this continent. This will contribute greatly to our need for diverse export revenue.

As far as Central Asian states are concerned, we're

experience in the sci-tech field. We enjoy good relations with India, although perhaps not as developed as those with China.

Vietnam is also becoming a close ally. This rapidly developing state boasts a population of around 80m. They're almost like brothers, welcoming us as friends and being forthright in letting us know what they'd like to buy from us. They've also helped us interact with Laos, Cambodia and Myanmar.

You're aware of a visit by our governmental delegation to Bangladesh and India, with a successful trip previously to Myanmar. Now, a major visit is being planned to Indonesia and Singapore, at top level. We continue to see success on

neighbours: they are given by the Lord, so we should live in peace with them. In fact, 30 percent of Lithuanian state revenue comes from Belarusians. In 2015, the EU's subsidies to Lithuania will be reduced (it currently gives 2-3bn) which may bring some problems. They can't afford to lose their partnership with Belarus; only small minded people in Lithuania would disagree. We ship up to 10m tonnes of cargo via their ports, which they rely upon. We've told them honestly that we're looking at alternatives in the Leningrad Region and in Ukraine, to find the best rates, but we won't put 'all our eggs in one basket'.

As long as our partners in Lithuania and Latvia treat us as we deserve, we'll be happy to continue 'giving them money', shipping our goods from there and providing work for people. If they behave with gratitude towards Belarus, we'll co-operate with them.

We'll be guided by Lithuanian and Latvian domestic and foreign policy towards us, treating them in a similar fashion. We'll develop co-operation accordingly.

### Prospects for the Union State

Regarding the Union State, we've made progress with human rights and the co-operation of our foreign ministries and military forces, creating integrated systems — as in a single state. The Union State will be! We function quietly within it, without any cutting-edge innovation but perhaps we are yet to reach that point of radical solutions.

I'm without worries regarding our relationship with Russia within the Union State. We just need to gain a foothold on the heights already reached.

### Differentiation of payment for housing and public utilities

I don't think the Government should be criticised for suggesting differentiation of payment for electricity. I've already said that the payment within the housing maintenance service system is 20 percent. Even with differentiated payment for electricity, the public won't be paying the full cost, as current rates are so greatly behind the real cost.

If you use a certain amount of electricity, you should pay for it. If you want to use more, you should pay more. Why should people pay the same when one has a small refrigerator and another has a three huge fridges and a separate deep freeze?

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focusing on those formerly within the USSR, since we've always taken an interest in them, maintaining trade relations and working together to ensure production modernisation. In Kazakhstan, we're taking part in about 20-30 projects, while building mining and refining facilities in Turkmenistan, where we also sell lots of our goods.

China and India came on our radar a decade ago. You probably remember my first trips. Jiāng Zémín and I (the third president after him is currently in power) set the task of reaching at least \$500m in trade turnover. We've already at least tripled this figure. We enjoy effective collaboration with this empire. It's the second most powerful country in the world so, thank God, we enjoy good relations. They've helped greatly, having given us a credit line of around \$16bn for specific projects. Svetlogorsk may serve as an example in this respect, where a bleached pulp plant is being built with Chinese loans of about \$1bn.

The same is true of India, which is keen to share

these markets and are also establishing relations with Mongolia, which is keen to buy our agricultural and mining machinery. They've already purchased some from BELAZ.

We've seen less success with Africa but our new Foreign Minister has been tasked with finding 3-4 states there which can rival Venezuela as trade partners. We need to start small and gradually gain a foothold, moving on to work with their neighbouring states.

I think that we'll make gradual progress. Of course, it's a pity that we've lost Libya and Syria, because of internal conflict. It's difficult to work with them now from an economic point of view. However, I believe this is only temporary; sooner or later, we'll restore our relationship with these states.

### Role of neighbouring countries in relations with EU

Lithuania may chair the European Union but this doesn't give it the power to control affairs. I don't cherish any hope in this regard.

We can't choose our