

# Everyone must surely take responsibility for actions

Alexander Lukashenko expresses concern on hearing report from Government and National Bank on 2013 economic results and forecast for the future, including budgetary plans and monetary-credit policy for 2014



By Vasily Kharitonov

He emphasised, “I must tell you that I’m seriously concerned about the current forecast’s detachment from real life. It seems that the regional governors, ministers and heads of major contributing enterprises present here today are only now discovering their tasks for the coming year. I’m concerned that nobody appears to be worried about the forecast parameters; nobody is sweating or arguing, which is extraordinary. By now, I would usually have received an abundance of requests and complaints. However, I hear nothing but silence! Have you managed to reach an agreement so quickly and are now all of the same opinion?”

Addressing the Prime Minister of Belarus, Mikhail Myasnikov, Mr. Lukashenko mentioned that the Presidium of the Council of Ministers has tried, over the past three sessions, to decide upon GDP target growth: wavering between 3.3 percent and 5.7 percent. The President compared the work of the Government with Vladimir Mayakovsky’s poem *Worn Out from Sitting*.

“It seems that the Government is trying to guess the future by reading tea leaves,” he scoffed. “Has anyone looked at what will drive GDP? Has anyone looked at the contribution of economic branches, regions and enterprises? We have slightly more than 100 major contributing enterprises in the industrial sector. Does the Government know how each will develop next year? Do regional governors have verified development plans for these enterprises?” Mr. Lukashenko

stressed that he would like the Government to consider whether it can perform its duties as the country’s economic HQ in its present form.

Mr. Lukashenko was also keen to hear how agriculture will develop and when investments will start reaping rewards. He drew attention to the Government’s plans to raise export income, which are at the heart of economic development. Export revenue is expected to rise by more than 111 percent next year, while production sector growth is expected to grow by 103.8 percent.

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The President commented, “If you can, then I’d like to hear which measures are being given top priority, to secure the necessary dynamics of balanced development and take us closer to fulfilling our five year programme goals — or at least those for 2014. I wonder whether the draft social and economic development forecast and the draft budget have been properly calculated, taking into account our resources and technological capabilities, as well as the feasibility of reaching our outlined goals. Is the draft forecast tied to existing manufacturing programmes and the future development plans of the regions?”

The Head of State was eager to know whether the state budget will stay socially oriented and when it will be

possible to raise living standards for Belarusians, in line with the resolutions of the 4th All-Belarus People’s Assembly. He warned, “The instruction, given by me at your suggestion as members of Government, should be completely fulfilled. Everyone is aware of what will happen to those who fail to fulfil it.”

Mr. Lukashenko noted that the adoption of fundamental documents — relating to the country’s development — including the forecast, budget and major guidelines of monetary-credit policy for 2014, shouldn’t be left until so

late in the year. “Before setting landmarks for the future, we need to thoroughly analyse the real situation, looking at the fulfilment of this year’s plans. What have we managed to do and what have we not? On what foundations are we starting out the new year? Over the last month of the year, the situation is unlikely to change drastically,” he asserted.

The President of Belarus warned the Government and the banking sector about their responsibility to maintain the stable operation of the currency market, saying, “We need to understand how monetary instruments will be used to address issues facing the real production sector.” He emphasised the need to maintain stability on the foreign exchange market, noting,

“I’ll tell you honestly what I told the Chair of the National Bank and the Prime Minister: they and the bankers they have chosen (about a dozen) will be responsible for the stability of the currency market. Banks seek to be independent from the state and the people, saying that they live in a market economy. However, they forget that they make money from the Belarusian economy.”

Mr. Lukashenko added that most of the forecasts for 2013 have failed to be met, with GDP set at 8.5 percent, yet only 1.5 percent now expected. He noted that ‘even that may be a problem.’ He continued, “You’ve been trying to convince me that volumes were unnecessary, with the Government promising high quality, balanced economic development. I listened and refrained from placing pressure on anyone regarding volume parameters during the year. Now, what do I get in the end? Nothing of what I was told. You promised to balance our foreign trade in commodities and services. Instead, we have a foreign trade deficit, rather than a surplus. You were eager to keep inflation as low as 12 percent but, in reality, people remain concerned about rising prices. From January to October 2013, inflation reached the figure we planned to secure

A similar trend has been evident throughout the work of the present composition of Government.” Mr. Lukashenko has advised the Government to refrain from blaming weak exports on the country’s traditional partners, telling them to focus on acquiring new markets. “The main criterion of being business-like is to keep your promises. This principle is of special relevance nowadays, at a time when we need to work harder to avoid collapse and secure balanced development, sticking firmly to our goals and using every opportunity on domestic and foreign markets,” the President emphasised.

to give their total dedication and devotion, to ensure efficiency,” said the President. “It had seemed that we had sorted everything out and that you had taken on your obligations. Legal acts of the Head of State were submitted and approved at your initiative, in the way you wanted.” He reminded everyone that, back then, he warned the Government that GDP was unlikely to expand by 8.5 percent but that the Government had assured him of everything being well-planned.

The Head of State underlined his displeasure with the Government and the Vitebsk Regional Executive Commit-



Mr. Lukashenko has ordered that tasks relating to agricultural development and food export be fulfilled, noting that great hopes are pinned on this sphere as a source of foreign currency revenue, helping boost the country’s export capacity. He explained, “Agricultural exports are on the rise. This year, overseas sales will reach \$6bn; in 2015, export revenue should hit \$7bn. Nevertheless, I’m concerned over falling milk production and sales. Governors will be held accountable, since this is their scope of responsibility.”

The President of Belarus is concerned over the work of the Government, the National Bank and local authorities, and their inability to complete their undertakings, seemingly through lack of action and determination. Mr. Lukashenko reminded those present that the tasks for this challenging year were discussed at an extended session of the Council of Ministers, held at the beginning of 2013. “I minced no words when I said that if this year saw the situation continue as last, it would require the immediate resignation of the Government. I asked them to be grounded in reality and for everyone

tee, which has become bogged down in red tape, taking too long to address issues in the footwear and leather industry. “We held a special meeting to discuss the matter in November 2012. Prospects seemed bright, as they promised to set up two holding companies in the Vitebsk Region, raising footwear production to 12 million pairs,” said the President. “In reality, it took a year to adopt an economically feasible plan that provided for more modest growth and returns on sale. If they continue in the same way, I’m not sure that even these plans will materialise.” He warned that those in charge will be held responsible for goods missing from warehouses.

Addressing Prime Minister Mikhail Myasnikov, Mr. Lukashenko commented that a dedicated Government session had been held to discuss reducing warehouse stock volumes. Top officials and members of Government were assigned enterprises with the largest stockpiles, to help remove hindrances and secure sales, earning money for enterprises. “Deception can only harm enterprises and the country!” Mr. Lukashenko warned sternly.