



Council of Ministers of Union State of Belarus and Russia discuss 23 issues and sign 12 decrees

# Solutions to issues found without excessive debate

“Our main goal is to achieve equal rights and equal opportunities for our companies,” stressed the Prime Minister of Belarus, Mikhail Myasnikovich, opening the meeting. He noted that our two countries have seriously progressed since the creation of the Single Economic Space. “However, we still lack a single market; there are various confiscations and special conditions of trade which should be eliminated,” he emphasised.

By Vladimir Khromov

Mr. Myasnikovich explained that, in light of Russia joining the WTO, the Council of the Eurasian Economic Commission (EAEC) will consider all issues which arise, taking the necessary steps to prevent any loss to the Belarusian economy. At the same time, the Prime Minister assured his colleagues in the Union State, “We look forward to seeing Russian partners as shareholders and new owners of Belarusian real estate and other infrastructure.”

The Russian Prime Minister

commented on integration, “Our relationship is on the rise, as evinced by our largest trade turnover to date, in the whole time of our economic co-operation.” Trade turnover with Russia exceeded \$19bn in the first five months of this year (up 25 percent on the same period of 2011). “This is the result of our bilateral work and, of course, the integration process to create the Single Economic Space. Our main objective is to strengthen these positive aspects. For this purpose, our long-term relationship should be based not only on the supply of goods

but on mutual projects. The task will only be fulfilled if such projects are fully carried out,” Mr. Medvedev asserted.

The construction of the Belarusian nuclear power station is one such project. “The building of a nuclear power station is a landmark event,” said Mr. Medvedev. “I hope that other projects will be implemented, such as in the machine building. If we can move forward in this matter, the degree of integration of our economies will rise significantly. Our relationship will be clearly long-term, depending not on any interna-

tional situation, or the price of oil, gas, machine building products or other factors.”

In all, 23 questions were discussed at the meeting, with one added to the agenda at the last minute: to create a high-level group (to include the Belarusian and Russian deputy prime ministers and ministers) able to quickly solve issues connected with integration. The motion was passed promptly and in a business-like manner. Mr. Medvedev mentioned, “This is the first time in the history of the Council of Ministers that all issues have been agreed on the same day

they were voted upon. We have avoided many hours of discussion, which gives me great satisfaction.”

Mr. Myasnikovich noted that Russia’s joining the WTO may have consequences for Belarusian manufacturers. He explained, “We’ve discussed these difficult issues and have taken steps to allow our integration relations to continue developing dynamically.”

The Council of Ministers discussed topics of great practical importance, with the balance of supply and demand for certain types of goods approved. A carefully

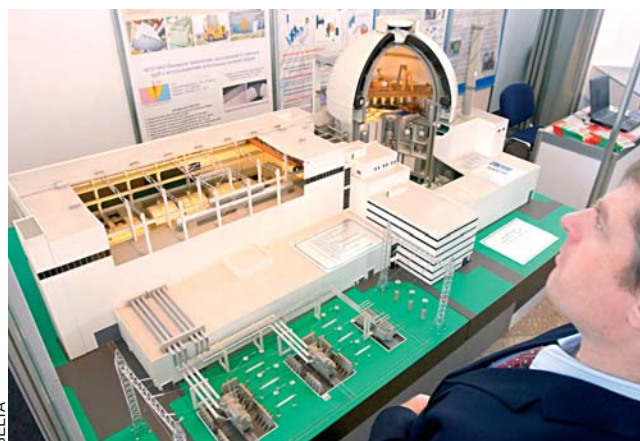
developed programme to update the transport system was passed smoothly and a plan of action for 2012 was adopted. The everyday life of Belarusians and Russians depends on implementing such plans. Innovative aspects of integration were also debated, alongside the creation of new technologies and agro-equipment. A report on the budget for 2011 was presented and the PMs raised the issue of how to revitalise the Union State Permanent Committee, raising its potential, strengthening its supervisory functions and focusing on specific cases.

# Time has come for some serious innovation projects

**Belarus and Russia sign general contract for construction of Belarusian nuclear power station**

The general contract defines the obligations and liabilities of each party, as well as terms and approximate cost (until 2020): conditions of payments, equipment supplies, organisation of construction and acceptance of energy units. The first nuclear power reactor should become operational by November 2018, with the second ready by July 2020.

The core principle is that the cost of the Belarusian nuclear station has been determined using the same methods as those used in building nuclear power plants in Russia — adjusted with a base and index method. The cost of the Belarusian nuclear



Contract signed to build Belarusian power station

power station also shouldn’t exceed the cost of the Baltic nuclear power station, under comparable conditions. Russia is ready to give Belarus a privileged long-term state loan worth up to \$10bn, with a 25 year payback period.

The nuclear power station will enable Belarus to annually save around 5bn cubic me-

tres of imported natural gas, while reducing the prime cost of electricity generation. It will also decrease the level of greenhouse gas emissions by 7-10m tonnes and considerably enhance energy security.

The Belarusian nuclear power station, consisting of two energy units with a capacity of up to 2,400MW (2 x

1,200), is to be constructed in the Grodno Region’s Ostrovets. The NPP-2006 project has been chosen, fully meeting international requirements and IAEA recommendations. On October 11th, 2011, a contract was signed, including framework agreements for construction and major guidelines on terms.

On the eve of the Union State Council of Ministers meeting in Minsk, a general contract was signed. Russian Prime Minister Dmitry Medvedev noted, “This is our most major project, with a total cost of around \$10bn. I hope it will have the necessary ‘multiplication’ effect, becoming a flagship of Russian-Belarusian interaction.” He asserts that other spheres of liaison remain important and expressed confidence that these will be implemented.

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