

# MINSK BAROMETER

Monitoring of  
foreign policy and  
regional security

Dear readers,

We are proud to present the fifth issue of Minsk Barometer, which analyzes Belarus's foreign policy and the status of security in the months of September and October.

Following the relatively calm and quiet summer period, Belarus's foreign policy has again showed the trend that was originally manifested in the first half of the year – its true “multi-vector” approach. All of the main dimensions of foreign policy (Russia, the EU, China and Ukraine) demonstrated similarly high indices. The Belarus-Ukraine relationship recorded a new record high of 23 points, mainly due to the Forum of the Regions and active economic engagement. The relationship with the United States, despite the modest 5 points, is undergoing quality changes thanks to Washington's new regional strategy and the increasing level of contacts.

When it comes to security, things are not so optimistic, though. The collapse of international treaties and gradual militarization of the region resulted in the national security index being at zero during the period under review, whereas the level of regional tensions upgraded from the green to the yellow zone, which indicates that there is military and other activity that could lead to the escalation of tensions. This situation calls for close attention, and we are committed to following it closely.

Best regards,

Dzianis Melyantsou,

Editor, the Minsk Barometer  
Coordinator of Belarus's Foreign Policy Programme,  
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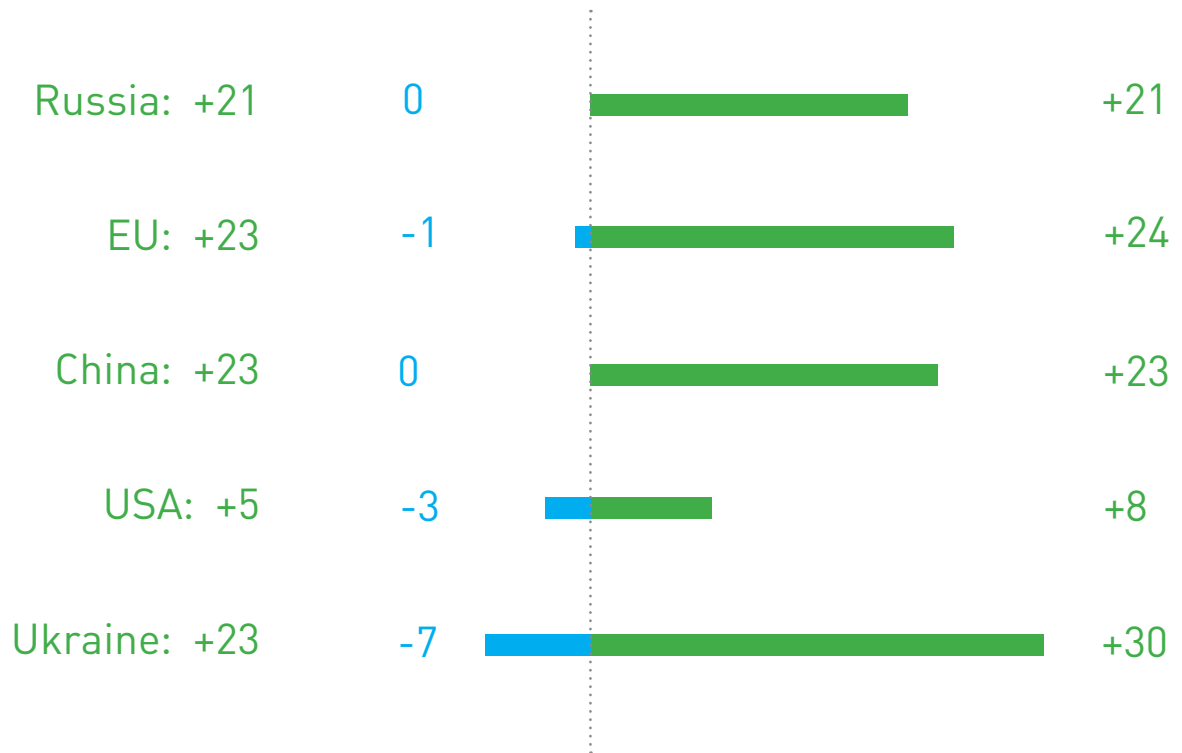
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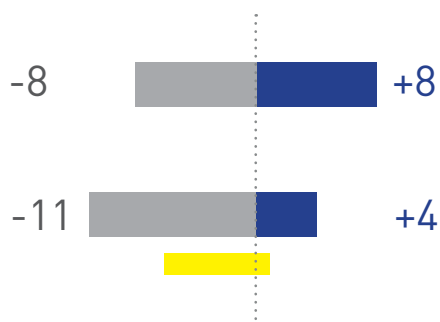
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## Relations development indices:



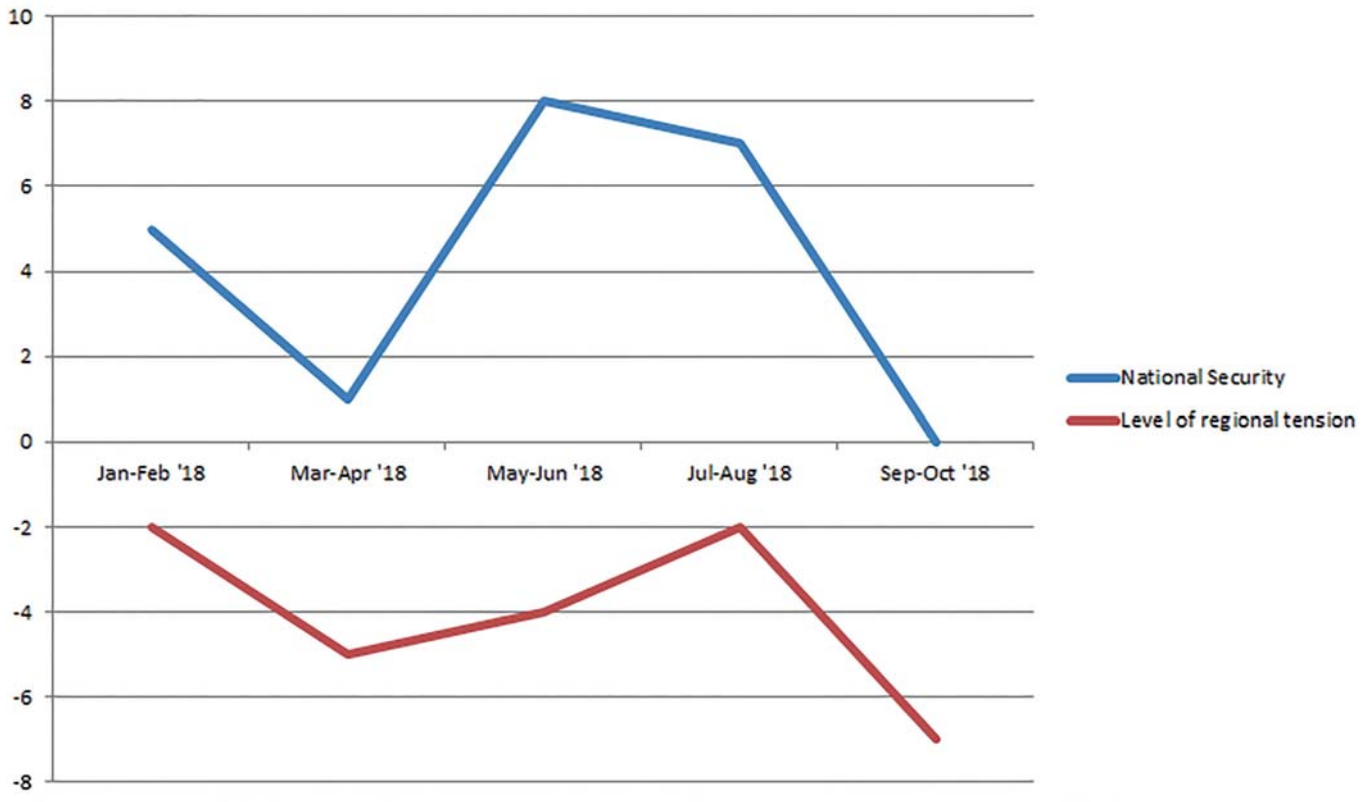
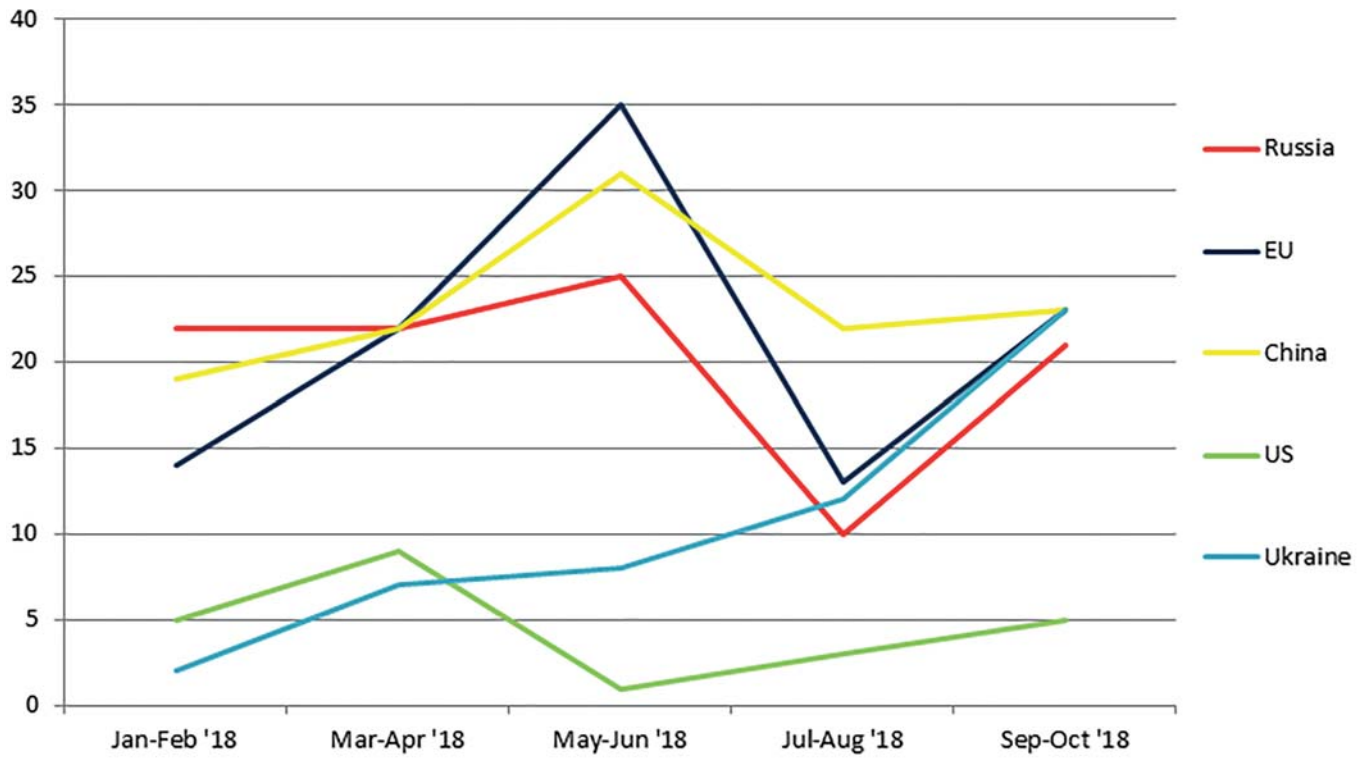
## Security:



National: 0

Level of regional tension: -7  
**(Yellow level)**

Yellow level indicates military and other activity that is capable of leading to the escalation of tensions. The situation calls for close attention.



# Relationship with Russia

+21



Resulting index: +21

Positive points: +21

Negative points: 0

0

## Trends

1. Compromise is reached for most of the controversial issues in trade with Russia
2. Border issue remains unresolved
3. Belarusian state is still missing effective approaches to ensure media support for its foreign policy.

## Developments and processes

### Political agenda

The political agenda of the relationship with Russia in September and October comprised meetings with its top management along with complex and intensive negotiations of the updated teams over the adjustment of the terms of collaboration. As we predicted in the previous issues of the Barometer, the parties reached compromise on most of the controversial issues, which, however, produced almost no effect on the media support for the bilateral relations: some journalists and experts continued making wild guesses predicting a disaster, all the way up to citing the Kremlin's plans and capacity to destroy the Belarusian statehood.

This factor shows – among other things – that some political forces in neighboring countries (Russia, Lithuania, Poland and Ukraine) are not interested in improving Belarus's international image as a country capable of negotiating and pursuing its own foreign policy.

### Summit meetings

Since the beginning of September, new negotiation teams had got familiar with the agenda and with each other, and started preparing a summit meeting in Sochi. The preparatory phase clarified the specifics of the negotiation process over lending by EDB and the Russian government, the parties' approaches to the import of Russian oil products in Belarus and compensation due to the tax maneuver in the Russian oil industry. For the first time statements were made that Russia, despite the difference in approaches, considers the compensation itself to be fair.

On September 21, a summit meeting was held in Sochi. The talks between the two presidents covered an extensive range of issues of political and union-based engagement within the CIS, the Union State, the CSTO and the EEU, specifically the problems with the CSTO Secretary General and Ukraine's decision to shut down its representative office in the CIS. It was decided to softpedal those issues, that is, to avoid any statements about the ongoing crises in those organizations.

As for the bilateral agenda, the Sochi summit resolved:

1. To extend lending to Belarus by the Eurasian Fund for Stabilization and Development (EFSD) by another installment. Receiving a 7th installment remains unlikely and, most probably, Belarus will request a new EFSD loan program.
2. Negotiations on the terms of the USD 1 billion loan to refinance the state debt of Belarus by the Russian government are still underway. The Russian side believes it reasonable to refinance only as much as USD 630 million.
3. Export of food to Russia will be included in the indicative balance, which implies quotas on deliveries of Belarusian products to Russia. This is not good news for Belarus, because within the EEU, there should be no obstacles to sales of Belarusian products in Russia; however, the Belarusian side had to agree to the proposal, it being the best option (the others being constant fault finding and bans by Rosselkhoznadzor, or export of all Belarusian foods via the Russian monopolist).
4. The import of Russian oil products in Belarus is also included in the indicative balance, with the volume of imported products limited by the requirement of Belarusian producers. Revenues lost by the Belarusian budget due to quotas on the import of oil products in 2018-2019 can be preliminarily estimated at around USD 100-200 million.

Overall, the agreement should be viewed as a compromise, because both sides had to make concessions.

On October 12, Mahilioŭ played host to a forum of the regions of Belarus and Russia. Such forums are held annually in various cities of both countries; this year saw the fifth edition. They serve as an advertisement of allied relations and a platform for establishing direct contacts between regions, as well as searching for common interests – both between Russian producers and between Russian and Belarusian manufacturers. The Mahilioŭ forum saw several agreements signed. In addition to that, Putin announced the promotion of the project to build the Belarusian Nuclear Power Plant, noting that the developers proceeded with the project as scheduled, as well as the establishment of the Center for Nuclear Science and Technology.

## **Trade**

Two-way trade in the first eight months of 2018 totaled USD 23.4 billion, up by 14.5% from the same period in 2017. Export to Russia went up by 2.2% year-on-year to USD 8.54 billion, and import from Russia expanded by 23% to USD 14.8 billion. The deficit in trade with Russia amounted to USD 6.3 billion. Apparently, by the end of the year, the deficit will have exceeded USD 10 billion, as we assumed at the start of the year.

Machine-building products (cars and trucks, tractors, agricultural equipment, spare parts, elevators, electrical transformers) contributed USD 1.23 billion to Belarusian export supplies in January-August 2018. All of the commodities in this group, except for tractors and agricultural equipment, showed an increase compared to last year. Export of tractors (USD 186 million) increased by 15% year-on-year in volume terms, but dropped by 7.9% in value terms, and of agricultural equipment rose by 30% year-on-year, while falling in value terms by 42.4%.

Export of food products in the same period amounted to USD 1.87 billion. Meat, sour milk products, canned fish, other milk products, butter, cheeses, processed fish, sausages and sugar showed an increase in comparison with the previous year. Powdered milk export faced the worst challenge due to the direct ban imposed by Rosselkhoznadzor: in January-August, deliveries fell by 42.3% year-on-year in volume terms, and by 49.8% in value terms.

To understand the real weight and significance of the commodity groups and individual commodities in the overall structure of Belarusian export supplies to Russia one should keep in mind that food accounts for 22% of all export deliveries, while machine-building products account for 15%. Milk and cream individually contribute 3% to Belarusian exports, and the

powdered cream and milk subgroup, 1.5%. The drugs, wires, furniture, clothes, plastic products, and household appliances product groups are comparable in revenue to the milk and cream group, or exceed it, but export is never on the agenda when the state leaders of Belarus and Russia negotiate, and, accordingly, is not in the focus of the media.

Also notably, the EEU market partially makes up for losses in trade with Russia: in the first eight months of 2018, export of food products to Armenia exceeded USD 5 million, and meat deliveries went up tenfold; and food export to Kazakhstan reached USD 172 million, whereas butter supplies went up 11-fold. As a result, the surplus of trade with the countries of the EEU (except Russia) helped bring down the overall trade deficit for Belarus to USD 5.7 billion.

### **Meeting of the Synod of the Russian Orthodox Church in Minsk**

The Minsk meeting of the Synod of the Russian Orthodox Church resolved to break with the Patriarchate of Constantinople. Although the decision puts parishes of the Russian Orthodox Church outside of Russia and Belarus in a difficult position, when it comes to the engagement between countries – Belarus and Russia, and Belarus and Ukraine – the change will not have a significant effect.

Apparently, two factors should be added to that development. First, it is inappropriate to speculate, as some media did, about the increasing dependence of the Belarusian Exarchate of the Moscow Patriarchate on the mother church in connection with the meeting of the Synod of the Russian Orthodox Church in Minsk and its declaration. This dependence is already absolute: the Belarusian Orthodox Church does not exist separately from the Russian Orthodox Church. On the contrary: the schism may give a slight acceleration to the emancipation of the Belarusian Exarchate. Secondly, partly because the Belarusian Exarchate does not enjoy any independence, the political influence of the church in Belarus, which is already quite insignificant due to the weaker religious orientation of the population, is rigorously limited by the state.

### **Shoygu's visit**

The proposal of President of Poland Andrzej Duda voiced to his U.S. counterpart Donald Trump to open a U.S. military base in Poland and Trump's statement about the intention of the United States to withdraw from the treaty to eliminate medium- and short-range missiles increased Moscow's concerns. Statements by Russian Defense Minister Sergey Shoygu made during his visit to Minsk for a joint board meeting of the ministries and by Russian Ambassador Mikhail Babich about retaliatory measures are designed to make it clear that Moscow remains a reliable military ally and patron – at least for Belarus. For its part, the Belarusian leadership seeks to indicate to Western partners that arms buildup in Europe will lead to an increase in arms (mainly Russian) deployed in Belarus and increase security risks.

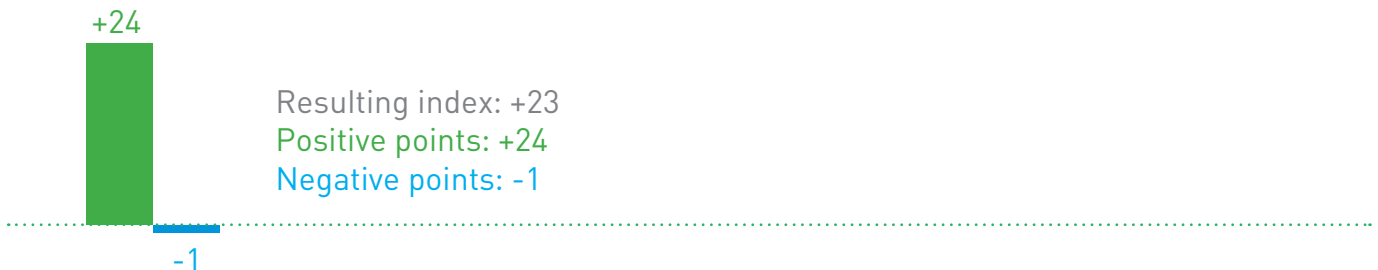
### **Forecast**

The refinancing of Belarus's state debt to the Russian government will have been resolved by the end of the year, it is also possible that Belarus will request a new loan from Eurasian Development Bank. As for compensation for the tax maneuver, it does not seem the matter will be resolved before the end of the year, since the compensation mechanism has not yet been worked out even in Russia.

By the end of the year, negotiations over the price of natural gas will be stepped up, in particular, on the tariff component.

In general, during the final months of the year, cooperation should continue building on compromise. However, the growth of political tension in the region, coupled with the emotional hype in the media due to the upcoming election campaigns in Ukraine (presidential), Poland (parliament and European Parliament) and Lithuania (presidential) will provoke an increase in negative expectations in society and, accordingly, distrust in politicians.

# Relationship with the European Union



## Trends

1. After the season of summer holidays, habitually intense diplomatic contacts resumed (especially in October).
2. Belarus's international security initiatives and events held in Minsk cause increased interest of the EU and contribute to high-level contacts.
3. Project and technical cooperation with EU countries and institutions is rapidly developing, while negotiations on the most significant political issues (primarily, the discussion of the Partnership Priorities) risk to drag on so long that their implementation may become irrelevant, as their timeframe expires.
4. Two-way commodity trade developments remain positive; however, all indicators (trade, export, import) have been growing at a slower pace since the start of the year.

## Developments and processes

The most notable events within the framework of the relationship between Belarus and the EU occurred in the second part of the period under review, the month of October. On October 15, Foreign Minister Uladzimir Makiej took part in the ninth annual meeting of the foreign ministers of the Eastern Partnership member states, which was held in Luxembourg. The meeting reviewed the progress of the initiative in the implementation of the 20 key EaP priorities for the period to 2020, which were originally approved at the Brussels Summit in November 2017. In his speech, the Belarusian minister voiced Minsk's traditional position:

- the need to preserve and develop the Eastern Partnership as an inclusive, pragmatic and non-confrontational initiative;
- the importance of implementing the agreements reached in the scope of the initiative;
- the priority of projects with practical deliverables, especially in economics and infrastructure.

The participants also addressed the current situation in the Eastern European region and the preparation of events celebrating the 10th anniversary of the Eastern Partnership initiative in 2019. On the sidelines of the meeting, Makiej held bilateral talks with European Commissioner Johannes Hahn, where they discussed not only challenges to working out the Partnership Priorities and agreements on visa facilitation and readmission, but also planned high-level visits, as well as interaction with the European Parliament. In addition to that, the foreign minister of Belarus held meetings with his counterparts from Hungary and Ireland.



After he returned from Luxembourg, Makiej met with President Lukashenka (October 18). Judging by reports of the press service of the president, the relationship with the EU was one of the key topics.<sup>1</sup> Specifically, Makiej reported on the progress of the preparation of bilateral agreements. Following the meeting, the foreign minister said that Minsk intended to calmly work on documents with the EU proceeding from national interests: "There is a clear instruction by the head of state regarding the continuation of the policy towards the development of normal relations with the European Union, primarily economic, political and humanitarian."<sup>2</sup> The minister said he hoped that the Partnership Priorities would be signed before the end of the year. He noted that with respect to both that document and the agreement on visa facilitation and readmission "there is significant progress, but unfortunately it is not our fault that some new nuances periodically appear that require additional time for analysis, clarification, or decision-making."<sup>3</sup>

Apparently, the remark refers to Lithuania, which continues to de facto block the harmonization of documents for the Belarus-EU relationship (primarily, the Partnership Priorities) by setting new conditions pertaining to the Belarusian nuclear power plant. In particular, after Belarus conducted stress tests complying with the EU methodology, which was the initial condition imposed by Vilnius, Lithuania voiced a new requirement to implement all of the recommendations received. Although those recommendations are not critical, their implementation would take a long time.

Having to deal with such an approach on the part of Lithuania – the constant appearance of new requirements that block the progress of Belarus and the EU in their negotiations on politically significant documents – Minsk cannot but have increasing doubts about the advisability of such negotiations. Observers get the impression that the real objective of Lithuania is not to guarantee the safety of the Belarusian NPP, but to completely stop the project. Nevertheless, some representatives of official Minsk continue to express their optimism about the possibility of finding the common ground with Vilnius. For example, according to First Deputy Minister of Natural Resources and Environmental Protection Ija Malkina, "Belarus expects to put an end to discussions with Lithuania on the construction of the nuclear power plant at the next session of the Meeting of the Parties to the Espoo Convention, which will be held in February 2019 in Geneva."<sup>4</sup>

Incidentally, as was already noted in the previous issues of the Minsk Barometer, bilateral contradictions with Vilnius over the Belarusian NPP project spoil the political atmosphere both between Belarus and Lithuania and between Belarus and the EU, but they do not affect economic cooperation. In addition to progress in mutual trade, the situation can be described using the words of Deputy Minister of Transport and Communications of Belarus Aliaksiej Liachnovič. According to him, in the transport sector, Minsk and Vilnius have only one problem left – road carriage and long lines of carriers on the border.<sup>5</sup>

Perhaps the only negative event reported in the period is related to the public response of the Belarusian Foreign Ministry to the new resolution of the European Parliament on the situation in Belarus. Commenting on its adoption, Foreign Ministry Spokesman Anatol Hlaz referred to it as "another artificial set of clichés that takes into account neither the objective reality, nor the

1 Working meeting with Minister of Foreign Affairs Uladzimir Makiej, [http://president.gov.by/ru/news\\_ru/view/rabochaja-vstrecha-s-ministrom-inostrannyx-del-vladimirom-makeem-19720/](http://president.gov.by/ru/news_ru/view/rabochaja-vstrecha-s-ministrom-inostrannyx-del-vladimirom-makeem-19720/)

2 Belarus hopes to sign EU Partnership Priorities by the year-end, <https://www.belta.by/politics/view/belarus-rasschityvaet-do-kontsa-goda-podpisat-prioritety-partnerstva-s-es-322457-2018/>

3 Ibid.

4 Belarus hopes to achieve closure in the discussion with Lithuania over the nuclear power plant at the Espoo Convention session in February – Ija Malkina, [https://atom.belta.by/ru/analytics\\_ru/view/npage-margin-2cm-n-p-margin-bottom-025cm-line-height-120-n-nbelarus-rasschityvaet-postavit-tochku-v-10016/](https://atom.belta.by/ru/analytics_ru/view/npage-margin-2cm-n-p-margin-bottom-025cm-line-height-120-n-nbelarus-rasschityvaet-postavit-tochku-v-10016/)

5 Deputy transport minister: one issue left between Belarus and Lithuania, <https://news.tut.by/economics/609927.html>

experience of making similar opuses in the past.”<sup>6</sup> He also recommended MEPs “to change the old and scratched disc, since in the dialogue between Belarus with European institutions has long been filled with new melodies.” It is noteworthy that this “exchange of niceties” was not transferred to the dialogue between the Belarusian Foreign Ministry and the parliament with the delegation of the European Parliament, which visited Minsk in late October. During the meeting with European colleagues, the Deputy Speaker of the House of Representatives of the National Assembly of the Republic of Belarus, Balieslaŭ Pirštuk, said: “the expansion and deepening of relations with the European Parliament and the European Union is our priority task.”<sup>7</sup> He also said he was satisfied with the progress observed in the relationship in recent years. Chair of the European Parliament’s delegation for relations with Belarus Bogdan Andrzej Zdrojewski shared similar assessments.

Major international conferences that were held in Minsk became highlights of the months of October: the OSCE conference “Preventing and Countering Terrorism in the Digital Age” and the Core Group of the Munich Security Conference meeting. These activities were not directly associated with the relations between Belarus and the EU; however, they contributed to the overall positive background, and also fostered additional high-level contacts.

Throughout the period under review, intensification of cooperation through thematic projects in various professional fields was underway, albeit often with no respective media coverage. For example, in September, the Institute of Physics of the National Academy of Sciences of the Republic of Belarus signed a grant agreement in the scope of Horizon 2020, the largest EU research and innovation programme for 2014-2020. In October, Minsk hosted a meeting of representatives of local authorities from among the signatories of the EU-supported Covenant of Mayors East. The meeting focused on ways to raise funds to finance environmental protection projects. To date, more than 45 cities of Belarus have joined the EU Covenant of Mayors for Climate and Energy and have committed themselves to reduce greenhouse gas emissions by 30% by 2030.

According to the National Statistics Committee (BelStat)<sup>8</sup>, two-way trade between Belarus and the countries of the European Union amounted to USD 13.019 billion in January-September 2018 (up by 27.4% year-on-year). Belarusian export reached USD 7.789 billion, which represents an increase by 42.8% from January-September 2017. Import from the EU was at USD 5.230 billion (up by 9.8%). Belarus’s surplus in trade with the EU countries amounted to USD 2.559 billion.

## Forecast

In November and December, the relations between Belarus and the EU will quite likely be determined by the same trends as those dominating the previous two months. At the same time, the final months of the year may become a sort of moment of truth in terms of the prospects for the agreement of the Partnership Priorities. If the cautious forecasts expressed by the head of the Belarusian Foreign Ministry about the possibility of harmonizing the text of the agreement remain unrealized by the end of 2018, the documents may not be signed at all. In this case, a period of uncertainty may ensue in the relationship between Minsk and Brussels. It will be difficult to simply replace the Partnership Priorities project with another document to be approved and signed, since the problem is not the content of the documents, but in the level of mutual trust and capacity of individual EU member states to block the negotiation process being guided exclusively by their own interests.

<sup>6</sup> Response of A. Hlaz, head of the information and digital diplomacy department and spokesman for the Ministry of Foreign Affairs of Belarus, to the question of the TUT.BY portal about the resolution of the European Parliament on Belarus, [http://mfa.gov.by/print/press/news\\_mfa/adb3c11c885a94a4.html](http://mfa.gov.by/print/press/news_mfa/adb3c11c885a94a4.html)

<sup>7</sup> Vice-speaker Pirštuk: expansion of relations with the EU is a priority task, <https://naviny.by/new/20181029/1540820357-vice-spiker-pirshtuk-rasshirenie-otnosheniy-s-es-prioritetnaya-zadacha>

<sup>8</sup> Belarus’s balance of foreign trade in commodities, [http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/vneshnyaya-torgovlya\\_2/operativnye-dannye\\_5/balans-vneshnei-torgovli-tovarami-respubliki-belarus/](http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/vneshnyaya-torgovlya_2/operativnye-dannye_5/balans-vneshnei-torgovli-tovarami-respubliki-belarus/)

# Relationship with China

+23



Resulting index: +23

Positive points: +23

Negative points: 0

## Trends

1. Strengthening of regional and inter-agency cooperation.
2. Great Stone project is actively evolving.

## Developments and processes

The highlight for the bilateral framework in the period under review was the visit to Belarus of Zhao Leji, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee and secretary of the Central Commission for Discipline Inspection of the CPC, who met with Alexander Lukashenka, Siarhiej Rumas, Natallia Kačanava and Michail Miasnikovič. Kačanava, in particular, told the Chinese official that “Belarus is ready to become a regional center for promoting China’s initiatives.”<sup>1</sup>

During the visit, a memorandum of cooperation was signed between the State Control Committee of Belarus and the State Control Committee of China. The parties announced the establishment of a joint research center to develop state-of-the-art protective means for emergency situations.

Also during the period under review, delegations from a number of Chinese provinces (Shandong, Qinghai, Jiangsu, Hainan, and Guangdong) and cities (Shanghai, Qingdao) visited Belarus.

The delegation from the Shandong Province held meetings at the National Academy of Sciences of Belarus and Belarusian State University of Informatics and Radioelectronics. The Institute of Physics of the National Academy of Sciences of Belarus and the Institute of Laser Research of the Academy of Sciences of the Shandong Province signed an agreement on the creation of a joint laboratory.

The delegation from the province of Jiangsu, led by Governor Wu Zhenglong, was received by Prime Minister Rumas, at the Ministry of Economy, Bellegprom light industry concern and in the Mahilioŭ Region, where a regional Belarus-China business forum was held and where several cooperation agreements were signed.

It was reported that the parties were preparing to hold a global forum “One Belt, One Way” in June 2019. In an official letter of congratulation sent by Lukashenka to Xi Jinping on the occasion of the National Day of the People’s Republic of China, the Belarusian president invited the President of the People’s Republic of China to attend the forum.

In October, Prime Minister Rumas met with his Chinese counterpart Li Keqiang in Dushanbe at the SCO summit – that was the first meeting at this level after the reshuffle of the Belarusian government. The parties captured the increase in Belarusian-Chinese trade in January-

<sup>1</sup> BelTA report of 20.09.2018, <http://www.belta.by/politics/view/belarus-gotova-stat-regionalnym-tsentrrom-prodvizhenija-initsiativ-kitaja-kochanova-318626-2018/>

July 2018 to USD 1.97 billion (up by 29%). A bit later, the Minister of Economy Zmicier Kruty reported figures for January-August 2018: USD 2.3 billion (an increase by 21.9%).

Inter-agency dialogue was further fostered. The State Customs Committee and the delegation of the General Administration of Customs of China (Vice Minister Wang Lingjun) addressed the development of the Great Stone Park and the China-EU railway route. The House of Representatives received counterparts from the All-China Committee of the Chinese People's Political Consultative Conference and the National People's Congress.

At the end of October, Belarusian Ambassador to China Kiryl Rudy spoke to TASS about the moderate growth (by 46%) of the number of Chinese citizens who came to Belarus after the introduction of the 30-day visa-free format starting on August 10 and the simultaneous decline in the number of passengers on the Beijing-Minsk flight. Commenting on the figures, the diplomat cited transit as the main objective of Chinese citizens in Belarus and called for improving the quality of tourist services. Rudy also noted the five-fold expansion in the proportion of food in Belarus's export along with the change in the structure of export supplies – the share of potash fertilizers decreased from 80% to 57% in the first eight months of 2018.<sup>2</sup>

On October 24, Belarusian MPs ratified articles of the agreement of the Asian Infrastructure Investment Bank (AIIB) (with its registered capital of USD 100 billion). The Belarusian side intends to complete all of the coordination procedures by the end of 2018 in order to become a member of the AIIB and gain access to this financing instrument offered by China, including with a view to financing the infrastructure of the Great Stone Park. The contribution of Belarus will amount to USD 12 million and will be paid in five installments, starting in 2019.<sup>3</sup>

### **Great Stone China-Belarus Industrial Park**

On September 10, the Park Administration officially launched the "one station" format operation, and an electronic application system is available in test mode.

JSC SF Medical Products" (high-tech medical products) became the 38th resident of the Park, and LLC Sykay Technology (MSK) (the research and operational center for Kinhood navigation systems) became the 39th resident.

In his new interview, Deputy General Director of CJSC Industrial Park Development Company Kiryl Karacejeŭ noted that the combined amount of the residents' investments declared based on the respective feasibility studies and business plans is estimated at USD 1-1.1 billion.<sup>4</sup>

Representatives of the CBIP took part in the UNCTAD World Investment Forum, where they presented the project, whereas Industrial Park Development Company signed a memorandum of cooperation with the World Federation of Free and Special Economic Zones (FEMOZA).

Industrial Park Development Company also announced infrastructure plans for building roads, subway lines and express tram line connecting Minsk and the CBIP, as well as developing social infrastructure inside the CBIP.

During the period under review, the logistics component of the park was explicitly developing. Following the meeting of customs officials of Belarus and China, a customs office was opened in the Park in early October. The Minister of Transport and Communications Anatol Spivak brought some realism into the rhetoric concerning the Eurasia high-speed railway project. He believes that the construction of the railway (Beijing-Moscow-Berlin,

2 K. Rudy's interview to TASS "Belarus's Ambassador to China: Minsk Opts or Openness" of 24.10.2018, <https://tass.ru/interviews/5708329>

3 BelTA report of 02.10.2018, <http://www.belta.by/economics/view/belarus-rasschityvaet-na-transportnye-i-logisticheskie-proekty-s-aziatskim-bankom-infrastrukturnyh-320001-2018/>

4 BelTA report of 21.10.2018, <http://www.belta.by/economics/view/summa-zajavlennyh-investitsij-rezidentov-parka-velikij-kamen-otsenivaetsja-v-1-11-mlrd-322456-2018/>

9,447 km) may start in five years at the earliest, because the consideration phase has not been completed yet.

### **Other Projects**

The second stage of the construction of social housing using technical and economic assistance from China was officially launched in Minsk. The first stage saw the completion of 16 houses in Belarusian regions, and the second one envisages the construction of 22 houses. The third stage will add 20 houses to bring the total of 58. Chinese companies are responsible for the administration of finance and building.

A delegation of the province of Qinghai paid a visit to Belarus at the end of September, and one of the participating companies, Qin Hai Salt Lake Corp., voiced its willingness to pursue industry partnership with Belaruskali.

### **Forecast**

A number of bilateral and multilateral events are scheduled to take place in the first half of November: the opening of the Belarusian consulate in Guangzhou, a session of the Belarus-China intergovernmental committee, an international exhibition of imported goods in Shanghai, which Belarus perceives as an excellent opportunity.

By the end of 2018, Belarus expects its bilateral trade with China to have reached USD 3.5 billion. The Ministry of Economy is optimistic; Minister Zmicier Kruty believes that Belarusian export supplies to China can be further diversified. The said USD 3.5 billion includes the target for Belarusian export deliveries for 2018, amounting to USD 860 million. In January-August 2018, Belarusian supplies amounted to approximately USD 266 million; therefore, based on the current progress, the achievement of the declared target might prove problematic, same as last year.

# Relationship with the U.S.

+8



-3

Resulting index: +5  
Positive points: +8  
Negative points: -3

## Trends

1. United States is changing its strategy towards CEE.
2. Level of bilateral visits is increasing.
3. Minsk is showing its commitment to improving relations with Washington.

## Developments and processes

In September and October, the Belarus-U.S. relationship received a major development impetus. The developments of the period under review for the first time make it possible to speak about marked progress towards the normalization of the relationship.

On October 18, in his remarks at the Atlantic Council Wess Mitchell, U.S. Assistant Secretary of State, de facto announced Washington's new strategy towards Central and Eastern Europe. The contours of this modified approach were outlined in June 2018.<sup>1</sup> However, the strategy has not received its ultimate shape until now.

In his keynote address, Mitchell said that the United States should return to a policy of active competition with Russia and China in Central and Eastern Europe. According to Mitchell, Washington "must be willing to use diplomacy to aggressively advance the national interest. Not only by engaging countries with whom we agree, but by engaging with countries with whom we have serious differences..."

At the same time, the former strategy of promoting democracy becomes a secondary priority, giving way to support for the independence and territorial integrity of states. The assistant secretary of state emphasized: "Today it is the national sovereignty and territorial integrity of frontier states like Ukraine, Georgia, and even Belarus that offer the surest bulwark against Russian neo-imperialism."<sup>2</sup>

Bringing this new U.S. policy home to the leadership of Belarus was apparently the main purpose of Wess Mitchell's visit to Minsk as part of the Minsk meeting of the Core Group of the Munich Security Conference on October 31. The U.S. assistant secretary of state met with President Lukashenka and Foreign Minister Makiej. Unlike previous visits by American officials, this time the press service of the president and the Foreign Ministry described the meetings in unexpected detail. For example, Alexander Lukashenka noted the country's keen interest in having good relations with the United States and promised: "If we advance in our relations, I promise you that Belarusians will be your most reliable, honest and sincere

1 The Transatlantic Bond: Preserving the West (<https://www.heritage.org/europe/event/the-transatlantic-bond-preserving-the-west>)

2 Winning the Competition for Influence in Central and Eastern Europe: US Assistant Secretary of State A. Wess Mitchell (<http://www.atlanticcouncil.org/news/transcripts/winning-the-competition-for-influence-in-central-and-eastern-europe-us-assistant-secretary-of-state-a-wess-mitchell>)

partners.”<sup>3</sup>

Mitchell, for his part, emphasized the significance that the United States attaches to the issue of independence and territorial integrity of Belarus. He also noted that the United States understands the success that Belarus has achieved in ensuring its stability and territorial integrity. Primarily, this refers to political stability in Belarus.

This rhetoric conveys the principles of the new U.S. approach to the countries of Central and Eastern Europe, as outlined by Mitchell at the Atlantic Council, and is strikingly different from all previous statements by American officials on Belarus. It is also noteworthy that Mitchell’s was the highest-status bilateral visit in the past decade.

According to Makiej, Belarus and the United States have an understanding of the need to promote their relations. He also said that the meeting addressed the possibility of returning ambassadors to the two countries, but did not elaborate. There have been rumors in the expert community that the procedure for increasing the level of diplomatic representation has already been launched. Based on the logic of bureaucracy and logistics, the return of ambassadors might occur in August-September 2019 at the earliest.

Almost immediately after the visit of Wess Mitchell, a group of influential American researchers, including former commander of United States Army Europe Ben Hodges and former Assistant Secretary of Defense Michael Carpenter, visited Minsk. That visit, which took place in early November, will be analyzed in the next issue of the Barometer. We only note that such a series of visits is not typical of the bilateral framework and may indicate a change in trends.

On October 12, the Foreign Ministry held a regular round of dialogue on human rights between Belarus and the United States. The Belarusian side was headed by Deputy Foreign Minister Alieh Kraŭčanka, while the U.S. side was led by Senior Bureau Official for Democracy, Human Rights and Labor Michael Kozak, the former U.S. Ambassador to Belarus.

Also taking part in the dialogue were representatives of the Ministry of Foreign Affairs, Ministry of the Interior, Ministry of Labor and Social Protection, Ministry of Justice, the House of Representatives of the National Assembly, the Investigative Committee, the Central Election Commission, as well as Charge d’Affaires Jenifer H. Moore, officials of the U.S. Department of State and the U.S. Embassy in Belarus. According to the press service of the Foreign Ministry, “the parties addressed a broad range of issues on human rights, including their observance in Belarus and the United States.”<sup>4</sup>

During the reviewed period, several more positive events took place. On October 18, the United States deported to Belarus a 21-year-old resident of Hrodna, who had been hiding from prosecution in a case of trafficking in psychotropic substances for almost two years, and then was detained by law enforcers in Jackson County, Florida. The decision by the American side to deport the Belarusian was facilitated by the memorandum of understanding and mutual legal assistance in criminal cases, which was signed on January 30, 2018 by the Deputy Director of the FBI, Paul Abbate, and the Chairman of the Investigative Committee, Ivan Naskievič.

On October 24, the United States extended the suspension of sanctions against nine Belarusian companies for another year. This decision will remain effective until October 25, 2019, unless it is renewed or canceled. The sanctions against a number of Belarusian companies were originally imposed on the basis of a decree of President George W. Bush dated June 16, 2006 in connection with the violation of human rights in Belarus and have since been periodically renewed. On October 29, 2015, the U.S. Treasury Department decided to partially mitigate the

<sup>3</sup> Meeting with Assistant Secretary of State for European and Eurasian Affairs Aaron Wess Mitchell ([http://president.gov.by/ru/news\\_vstrecha-s-pomoschnikom-gossekreterja-ssha-po-evropejskim-i-evrazijskim-delam-aaronom-uessom-mitchellom-19780/](http://president.gov.by/ru/news_vstrecha-s-pomoschnikom-gossekreterja-ssha-po-evropejskim-i-evrazijskim-delam-aaronom-uessom-mitchellom-19780/))

<sup>4</sup> On a regular round of dialogue on human rights between Belarus and the United States ([http://mfa.gov.by/press/news\\_mfa/f96d300e9b1ff28a.html](http://mfa.gov.by/press/news_mfa/f96d300e9b1ff28a.html))

sanctions for a period of six months (until April 30, 2016), thereby authorizing transactions. That decision has been renewed every six months. Currently the sanctions were suspended for a period of one year, which is a step forward, albeit a small one.

Official Minsk appreciated the move, nonetheless, calling it constructive and contributing to the intensification of trade and economic relations. At the same time, according to the statement of the Foreign Ministry, sanctions are unacceptable, and Belarus will continue to work in order to achieve their complete abolition.<sup>5</sup>

On October 23, Uladzimir Makiej met with Chairman of the U.S. Commission for the Preservation of America's Heritage Abroad Paul Packer. According to the press service of the Foreign Ministry, the meeting addressed promising areas of cooperation with the Commission, including within the framework of the Belarus-U.S. intergovernmental agreement on the protection and preservation of certain cultural values. The United States Commission for the Preservation of America's Heritage Abroad is a U.S. Government agency. The commission is engaged in the search and preparation of reports concerning burials, monuments, and historical buildings in Eastern and Central Europe, which are associated with the heritage of U.S. citizens, and – in cooperation with the states of the region – assists in the protection and preservation of this property.

In September and October there were also events that made a negative contribution to the relations.

On October 25, it was announced at a briefing at the Foreign Ministry that the intention of the United States to withdraw from the Intermediate-Range Nuclear Forces Treaty (INF Treaty) causes concern and regret. The U.S.' withdrawal from the INF Treaty can cause "significant damage not only to the regional security system, but also to global strategic stability in principle."<sup>6</sup>

Minsk also appeared to be concerned about the offer of Poland to open a permanent American military base in its territory. The press service of the Belarusian Foreign Ministry referred to the "attraction" of additional foreign military facilities and forces to its territory as a zero-sum game. According to official Minsk, such activities contribute to increased military-political tensions and the emergence of new dividing lines.<sup>7</sup>

There is another aspect to this problem that is not openly voiced by officials, but is actively discussed in the expert community and in the media – the possible response from Russia and increased pressure on Minsk to deploy a Russian military base or Russian weapons in the territory of Belarus. In the case of the creation of "Fort Trump" in Poland, Minsk will not have strong arguments to turn down Moscow's proposal.

The Ministries of Foreign Affairs of Belarus and Russia continue having consultations with respect to relations with the United States. A regular meeting took place in Minsk on September 11. The press services of the two ministries did not report the details of the discussions.

## Forecast

The visit of Wess Mitchell marked a start to contacts at a new political level, whereas the new U.S. strategy on the region makes it possible to speak about Washington's increased

<sup>5</sup> Media briefing of A. Hlaz, head of the information and digital diplomacy department and spokesman for the Ministry of Foreign Affairs of Belarus, on 25 October 2018 ([http://mfa.gov.by/press/news\\_mfa/f6276ab04d596a8f.html](http://mfa.gov.by/press/news_mfa/f6276ab04d596a8f.html))

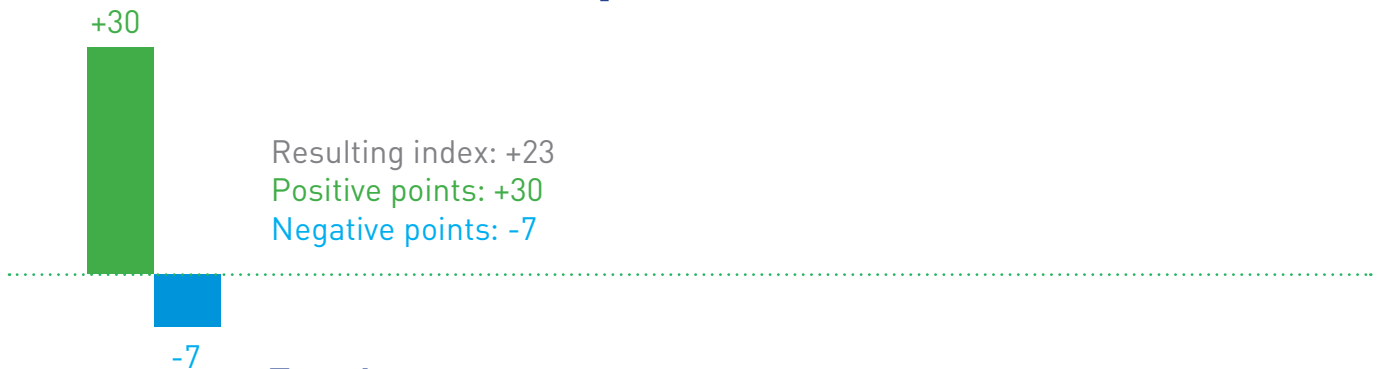
<sup>6</sup> Media briefing of A. Hlaz, head of the information and digital diplomacy department and spokesman for the Ministry of Foreign Affairs of Belarus, on 25 October 2018 ([http://mfa.gov.by/press/news\\_mfa/f6276ab04d596a8f.html](http://mfa.gov.by/press/news_mfa/f6276ab04d596a8f.html))

<sup>7</sup> Media briefing of A. Hlaz, head of the information and digital diplomacy department and spokesman for the Ministry of Foreign Affairs of Belarus, on 27 September 2018, ([http://mfa.gov.by/press/news\\_mfa/f189856d99b988be.html](http://mfa.gov.by/press/news_mfa/f189856d99b988be.html))



interest, including in Belarus. That said, in the coming months we should expect increased communication between Minsk and Washington, at least via political and expert channels. Using these channels, Minsk, *inter alia*, will seek to communicate its position on the possible American base in Poland and the security situation in the region. The process of restoring a fully-featured diplomatic representation will continue.

# Relationship with Ukraine



## Trends

1. Statements made along the Minsk-Moscow axis produce a significant impact on the media backdrop for the Minsk-Kyiv relationship.
2. Kyiv and Minsk were able to effectively approach a significant portion of the challenges they had accumulated and gave an impetus to further development of the relations for at least the first half of 2019.
3. At the same time, the vulnerability of the bilateral framework to media attacks continues to increase.

## Events and developments

### Politics

In early September, the issue of Belarus was actively discussed by the Ukrainian media, and politicians were making respective comments. Most often, Belarus was a target of criticism.

Lukashenka's meeting with Putin, statements by the Belarusian president about the border with Ukraine, and Belarus's vote in the United Nations against the inclusion of Ukraine's proposals on Crimea and Donbass in the agenda for the UN General Assembly brought about a number of extremely sharp statements by Ukrainian politicians. In particular, the permanent representative of Ukraine at the United Nations spoke about the anti-Ukrainian position of Belarus and the need to move the negotiating platform on Donbas away from Minsk.<sup>1</sup>

At the same time, positive processes continued at the working level. Ukrainian military inspectors conducted an inspection of the Belarusian armed forces in accordance with the intergovernmental agreement "on additional security- and confidence-building measures."<sup>2</sup>

On September 4-9, a regular meeting of the demarcation commission of Belarus and Ukraine was held to approve the results of its work over the summer period (certificates of the installation of frontier marker were signed) and coordinate plans for the end of 2018 and the beginning of 2019.<sup>3</sup> The joint exercise of the State Border Committee of Belarus and the State Border Service of Ukraine Frontier 2018, which began in June 2018, successfully concluded. Unlike previous similar events, the exercise involved the development of methods for information distribution, analysis and response to modifications of the situation.

<sup>1</sup> Permanent representative of Ukraine in the UN supports idea to move the platform for negotiating the situation in Donbas away from Minsk, <https://hromadske.ua/posts/postpred-ukrainy-v-oon-pidtrymav-ideiu-perenesty-z-minska-perehovory-shchodo-donbasu>

<sup>2</sup> Ukrainian military specialists conducts an inspection in Belarus, <https://www.belta.by/society/view/ukrainskie-voennye-proveli-inspektsiju-v-belarusi-317949-2018/>

<sup>3</sup> The Demarcation Commission of Belarus and Ukraine holds its 18th meeting, <https://mfa.gov.ua/ua/press-center/news/67035-vidbulosya-18-te-zasidannya-spilynoji-ukrajinsyko-bilorusykoji-demarkacijnoji-komisiji>

On September 29, a protocol on cooperation in transboundary waters was signed by authorized representatives of the governments of Belarus and Ukraine.<sup>4</sup>

Therefore, in September and the beginning of October, despite a number of positive developments, the media created an overall negative atmosphere of the perception of events in Belarus and initiatives coming from Minsk. In terms of its level, it exceeded the negative background of August-September 2017, when the West-2017 exercise was actively discussed in the media.

The developments of October preceding the Forum of the Regions of Belarus and Ukraine, on the contrary, were filled with rather positive events and news topics, however, they were not sufficient to bring the perception of Belarus by politicians and society to a whole new level, but rather made up for the negativity accumulated over the previous month.

On October 5, Belarus's KGB Chief Valier Vakulčyk made a statement on the notorious spy scandal, a sensitive matter for the Ukrainian politicians. The statement about the possibility of pardoning Pavlo Sharoiko<sup>5</sup> testifies to the willingness of Minsk (and, possibly, Kyiv) to remove the problem in the near future. This was confirmed by reports of October 25 that the citizen of Belarus Jury Palityka, who was accused of espionage, does not complain about the conditions in the pretrial detention center.<sup>6</sup> This is despite the fact that a month ago, the Belarusian side raised this issue at the diplomatic level, claiming that there were problems.

On October 8, a meeting was held between President of Belarus Alexander Lukashenko and Viktor Yushchenko.<sup>7</sup> Apparently, the key issue was the engagement between the Belarusian authorities and the Ukrainian elites, perhaps the passing of individual proposals and signals to the incumbent president of Ukraine. During the same meeting, the Belarusian president tried to smooth over his thesis about "trouble coming from Ukraine," saying that some of the weapons go via Russia.<sup>8</sup> However, the statement was not picked by many Ukrainian media outlets: the negative background of the previous month took its toll. In addition, on that day the Ukrainian media discussed another event that took place in Minsk – the meeting of the Synod of the Russian Orthodox Church, and most of the comments were negative. Therefore, the visit of the third president of Ukraine to Minsk went almost unnoticed. On the other hand, the harsh statements of Patriarch Kirill on the subject of the autocephaly of the Ukrainian church, which is quite sensitive for Kyiv, were unrelated to the position of Belarus. This can be perceived as a positive factor.

On October 11, the 26th meeting of the Intergovernmental Belarus-Ukraine Mixed Commission on Trade and Economic Cooperation was held in Homiel.<sup>9</sup> The meeting explored ways to resolve conflicts in mutual trade, in particular, the supply of Belarusian cement, building materials, access of Belarusian companies to Ukrainian tenders. On the same day, the Minister of Regional Development of Ukraine Hennadiy Zubko said that the development of inland water transport was discussed, and the implementation of respective plans could cheapen Belarusian products, specifically fuel, in the Ukrainian market.<sup>10</sup>

4 Authorized representatives of the Governments of Ukraine and the Republic of Belarus sign Protocol on cooperation in transboundary waters, <https://menr.gov.ua/news/32769.html>

5 Vakulčyk: pardoning of Sharoiko is under consideration, <https://www.belta.by/society/view/rassmatrivaetsja-vopros-o-pomilovanii-sharojko-vakulchik-320424-2018/>

6 Jury Palityka makes no complaints about conditions in Kyiv's detention facility, <https://www.belta.by/politics/view/jurij-politika-ne-vyskazyvaet-zhalob-na-uslovija-soderzhaniya-v-sledstvennom-izoljatore-v-kieve-323017-2018/>

7 Meeting with the former Ukrainian president Viktor Yushchenko, [http://president.gov.by/ru/news\\_ru/view/vstrecha-s-eks-prezidentom-ukrainy-viktorom-juschenko-19661/](http://president.gov.by/ru/news_ru/view/vstrecha-s-eks-prezidentom-ukrainy-viktorom-juschenko-19661/)

8 Lukashenko — Yushchenko: Instances detected when weapons go to Belarus from Ukraine via Russia, <https://news.tut.by/economics/610809.html>

9 On the 26th meeting of the Interdepartmental Belarus-Ukraine mixed commission for trade and economic cooperation, <http://ukraine.mfa.gov.by/ru/embassy/news/fea7353c82efeab8.html>

10 Zubko speaks about fuel price reductions for Ukraine, <https://minfin.com.ua/2018/10/11/35227147/>

However, in addition to positive signals, there was a series of negative developments that also created a backdrop for the perception of the anticipated Forum of the Regions of Belarus and Ukraine. As early as the start of October, media reports appeared about the recruitment of a citizen of Ukraine by Belarusian border guards, which was confirmed by a Ukrainian court.<sup>11</sup> Exactly a week later, the former ambassador of Ukraine to Belarus, Roman Bezsmertny, who intends to run for presidency, said that he did not separate between the “Kremlin and Belarusian authorities”.<sup>12</sup> A week later, there was an incident with the detention of the Ukrainian journalist Mykola Balaban in Minsk.<sup>13</sup> The incident led to an exchange of strong statements by the heads of the Foreign Ministries. Ukrainian Foreign Minister Pavlo Klimkin said that Ukrainians’ trips to Belarus were dangerous.<sup>14</sup> The spokesman for the Foreign Ministry of Belarus offered a response that not only failed to mitigate the conflict, but on the contrary, “added fuel to the fire.” Anatol Hlaz mentioned “160,000 Ukrainian refugees” who are safer in Belarus than in their homeland.<sup>15</sup>

The Forum of the Regions of Belarus and Ukraine therefore began against quite a controversial backdrop. The key event was the meeting of the presidents of the two countries and their negotiations. Petro Poroshenko thanked Belarus for providing a platform for negotiations on Donbass and declared his 100% confidence in Lukashenka.<sup>16</sup> For his part, the Belarusian president declared the “enormous potential” of cooperation between the two countries and its peaceful nature, willingness to foster cooperation in order to enter the markets of third countries.<sup>17</sup> Lukashenka’s thesis about “resolving the conflict by the three Slavic peoples” caused a sharp response by Poroshenko, who took the floor after his Belarusian counterpart and stressed the importance of the role of the EU and the U.S. This moment was specifically noted by the Ukrainian media.

During the Forum, Belarus and Ukraine signed a readmission agreement<sup>18</sup>; six cooperation agreements were signed between the Belarusian and Ukrainian regions, as well as the cities of Homiel and Dnipro<sup>19</sup>; Poroshenko announced the possible launch of a Ukrainian TV channel in Belarus.<sup>20</sup>

11 Resolution by the Rivno Municipal Court, [https://opendatabot.ua/court/77203928-bc308b54b5ffb7e828b98c533185c066?fbclid=IwAR19SgqwN--fJuQ9\\_BxBy3iza4v-iOZL88flu23c8xaIEtPZwyp-3v5AYds](https://opendatabot.ua/court/77203928-bc308b54b5ffb7e828b98c533185c066?fbclid=IwAR19SgqwN--fJuQ9_BxBy3iza4v-iOZL88flu23c8xaIEtPZwyp-3v5AYds)

12 Former Ukraine’s Ambassador to Belarus Roman Bezsmertny: I do not separate the Kremlin from the Belarusian authorities, <https://news.tut.by/economics/611912.html?crnd=48922>

13 A Ukrainian journalist is detained in Minsk – media, <https://www.segodnya.ua/ukraine/v-minske-zaderzhali-ukrainskogo-zhurnalista-smi--1182791.html>

14 Trips to Belarus are not safe for Ukrainians – Klimkin, <https://www.ukrinform.ua/rubric-politics/2565929-poizdki-do-bilorusi-nebezpecni-dla-ukrainciv-klimkin.html>

15 Belarusian Foreign Ministry comments on statement by Ukrainian foreign minister, <https://www.belta.by/politics/view/v-mid-belarusi-prokomentirovali-zajavlenie-ministra-inostrannyh-del-ukrainy-323013-2018/>

16 Poroshenko: I have 100% trust in Lukashenka, his mission is extremely important <https://www.unian.net/politics/10314315-poroshenko-doverayu-lukashenko-na-100-ego-missiya-chrezvychno-vazhna.html>

17 From supplies of machinery to markets of third countries – what Lukashenka offered Ukraine at the Forum of the Regions, <https://www.belta.by/president/view/ot-postavok-tehniki-do-vyhoda-na-tretji-rynki-chto-lukashenko-predlozhit-ukraine-na-forume-regionov-323268-2018/>

18 Ukraine, Belarus sign a series of bilateral documents, <https://www.president.gov.ua/news/ukrayina-ta-bilorus-pidpisali-nizku-dvostoronnih-dokumentiv-50626>

19 <https://www.belta.by/photonews/view/shest-dokumentov-o-sotrudnichestve-oblastej-belarusi-i-ukrainy-podpisany-na-forume-regionov-14113/>

20 Poroshenko announces launch of a Ukrainian TV channel in Belarus, <https://www.ukrinform.ua/rubric-politics/2567043-poroshenko-anonsuvav-zapusk-ukrainskogo-telekanalu-u-bilorusi.html>

## Economy

The autumn months traditionally witnessed a revival of business activity, when, on the one hand, efforts are made to implement contracts made in the current year, while on the other hand, negotiations are held to outline the framework for collaboration for the next 12 months. In September-October 2018, the Forum of the Regions of Belarus and Ukraine produced a significant impact on cooperation.

Belarusian road builders won several tenders for the construction and reconstruction of roads in Ukraine for a total amount of more than USD 20 million.<sup>21</sup> Given the constant growth of road construction budgets (up to UAH 56 billion (USD 2 billion) is planned to be invested in 2019), the available package of major contracts makes it possible to contend for even larger amounts.

Belorusneft continues to expand its presence in the hydrocarbon production market. The company received an order to drill nine more wells from DTEK Naftogaz<sup>22</sup> (Rinat Akhmetov's company). In addition, the Belarusian company signed two contracts with the state-owned UkrGasVydobuvannya and a memorandum on expanding cooperation, enough to earn at least another USD 10 million in drilling and servicing wells.<sup>23</sup>

Also noteworthy is the launch by UkrGasVydobuvannya of the PEC<sup>24</sup> (production enhancement contract) format for its partners. Such contracts provide for the transfer of old wells and fields to the full control of foreigners in order to intensify extraction subject to mandatory minimum sales to the Ukrainian state. Belorusneft is one of the five companies that can apply for participation in tenders. For the first time in the last 25 years, the Belarusian company has a chance to start independent gas production in a country, from where it is technically possible to deliver products to Belarus.

At the Forum of the Regions of Belarus and Ukraine, companies representing the two countries signed contracts worth over USD 101 million. Several major players account for most of this amount. Specifically, BelAZ announced the delivery to the Ukrainian market of another 20 dump trucks (in addition to the previously ordered batch). The buyers are organizations of Rinat Akhmetov's Metinvest holding company.<sup>25</sup> Belarusian Oil Company declared its intention to supply USD 2.2 billion worth of oil products to Ukraine in 2018.<sup>26</sup>

Therefore, in September-October 2018, a chance appeared to develop cooperation in several strategic areas: independent production of hydrocarbons by Belarusian companies in Ukraine, participation in the construction and reconstruction of Ukrainian roads as one of the key players, and progress in the project to restore navigation along the Dnieper and the Pripjat. This is happening against the backdrop of strengthening positions in the automotive industry, mechanical engineering, and oil and chemistry. Information about the possible resolution of the problems of antidumping investigations and duties voiced by the presidents can also be viewed positively as a signal facilitating the promotion of trade relations between the two countries.

21 Belarusians win a record tender to repair roads in Ukraine, <https://biz.liga.net/all/transport/novosti/belarusy-vygrali-rekordnyy-tender-na-remont-dorog-v-ukraine>

22 Belorusneft to drill nine wells for Naftogaz in Ukraine, <https://www.belta.by/economics/view/belorusneft-proburit-v-ukraine-dlja-neftegaza-9-skvazhin-322643-2018/>

23 Belorusneft to make another EUR 10 million in Ukraine, <http://www.neft.by/2018/10/25/belorusneft-zarabotaet-v-ukraine-eshhe-bole-10-millionov-evro/>

24 UkrGasVydobuvannya launched a pilot PEC project with the intensification of production in mature and depleted deposits, <http://ugv.com.ua/uk/page/ukrgazvidobuvanna-zapuskae-pilotnij-proekt-res-z-intensifikacii-vidobutku-na-zrilih-i-visnazenih-rodovisah>

25 BelAZ to additionally supply to Ukraine 20 dump trucks in 2019-2021, <https://www.belta.by/economics/view/belaz-dopolnitelno-postavit-v-ukrainu-v-2019-2021-godah-okolo-20-samosvalov-323201-2018/>

26 Belarusian Oil Company plans to increase export to Ukraine to USD 2.2 billion in 2018, <https://www.belta.by/economics/view/beloruskaja-neftjanaja-kompanija-planiruet-v-2018-godu-narastit-eksport-v-ukrainu-do-22-mlrd-323247-2018/>

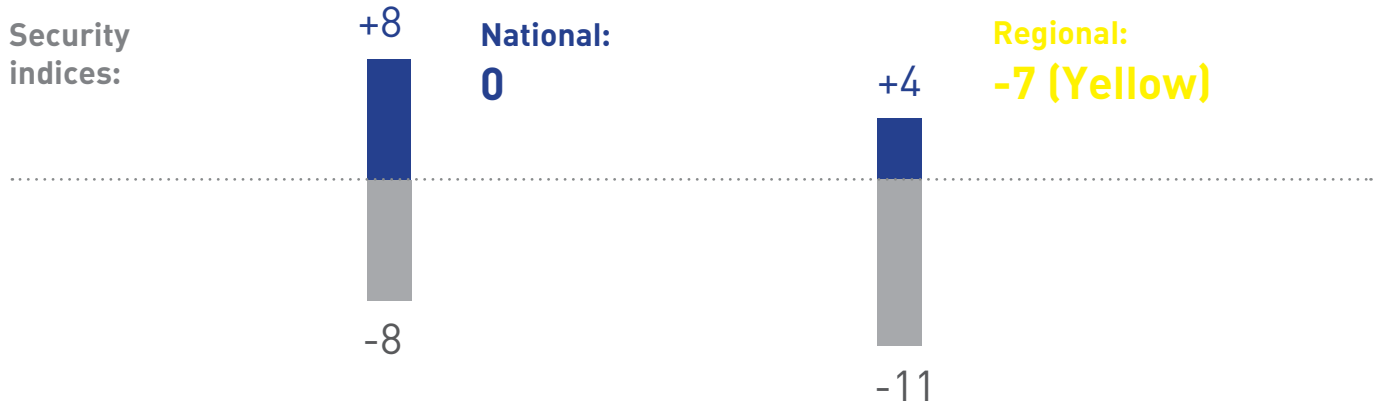
However, if the Ukrainian competitors of Belarusian suppliers lose their administrative resources, they may become more active in the media field, creating a negative information background and thereby prompting the Ukrainian leadership to take political decisions to limit Belarus's presence in the domestic market.

## Forecast

The overall outlook for the development of the relationship in the coming months is positive in both the economic and political dimensions. However, if the Belarusian side continues to ignore the significance of media work in the Ukrainian market, then the first half of 2019 may already be marked by one or several crises in bilateral relations. The inability to work with media flows multiplied by the increasing number of those interested in disrupting individual agreements – both economic and political (in the business community, among Ukrainian politicians, or Russian elites) creates risks that are deemed significant.



# Security Barometer: status of national and regional security



## Trends

1. The Belarusian government is deeply concerned about the situation in Ukraine. It is trying to avoid being dragged into the confrontation with Kyiv. For this reason, it mainly focuses on preventing the migration of instability implications by strengthening border troops, rather than the army. Minsk also offers assistance to expedite the resolution of the situation in the Donbas region, even though there are risks associated with a possible peacemaking mission.
2. The situation in the region is characterized by creeping militarization. On the one hand, Russia and NATO engage in giant military exercises, and, therefore, the number of exercises in the region that neighbors on Belarus has decreased. On the other hand, new military facilities are being arranged in Lithuania, Latvia and Russia, and new weapons are being procured and deployed.
3. The pattern of forces around Belarus is getting complicated, as more NATO members, primarily Germany, one of the key western countries, are getting involved. Along with commanding the NATO battalion battle group in Lithuania since 2017, Germany has integrated part of the Lithuanian army into its armored troops. It has also announced the intention to play a greater role in NATO's naval operations in the Baltic Sea.

## 1. National security

### Defense policy

**Self-reliance.** On October 21, Russian Ambassador to Belarus Mikhail Babich told Belarusian TV that Russia would regard aggression against Belarus as aggression against itself, and will react accordingly. This statement is loosely correlated with Minsk's hope for certain self-reliance in terms of defense, and, on the other hand, the Kremlin's aspiration to end its dependence on Minsk in the defense sector.

During the trip to the Ivacevičy district on October 5, President Lukashenka spoke about his vision of national security. He reminded that the army and security agencies had been rebuilt several times during the years of independence. According to the president, recent conflicts (not only in Syria, but also "not far from us") show that Belarus needs highly mobile special operations units, rather than the army segments that require tanks and jets. He also highlighted the task to design UAVs, including cannon and missile carriers.

The head of state stressed that the country must be striving for self-reliance. On the one hand, *"we are not going to fight in far-off lands. We must defend Belarus. And, to this end, we need to create the (...) army and (...) weapons."* On the other hand, *"We cannot be totally sure that help will come if something happens. (...) We see how some allies of ours behave here. We cannot 100 percent rely even on Russia. Well, Putin and others are there. He understands us, and I understand him. We work jointly somehow, not always, though. And what will happen tomorrow? Therefore, we must have the most necessary weapons of our own (...) that we can create."*<sup>1</sup>

Vladislav Polonsky, advisor to the KamAZ CEO, head of one of the projects on substitution of Belarusian products with Russian analogues, said in September that in 10 to 12 years, the Russian army would stop buying products currently supplied by Minsk Wheel Tractor Plant (MZKT).<sup>2</sup> In late August, Russian Defense Minister Shoygu reported the completion of state tests of the Russian towing vehicle for strategic missiles, which will replace Belarusian MZKT tractors. Lukashenka heard him well. The president said, "Russia primarily wants to stop buying imported defense items at all ... even having closest relations with us, building the Union State. They are nonetheless designing vehicles for nuclear missiles at KamAZ ... [Putin] tells me right out ... *"in the future, we must be absolutely sure, especially regarding nuclear weapons, we must not depend on anyone."*<sup>3</sup>

**Situation on the Ukrainian border.** At a meeting with State Secretary of the Security Council Stanislau Zas and State Border Committee Chairman Anatol Lappo on September 24, Lukashenka spoke about arms smuggling from Ukraine. Head of the State Border Guard Service of Ukraine Petro Tsygkhal said that no such episodes had been reported.<sup>4</sup> Representatives of the Belarusian and Ukrainian border guards met on October 23. Both parties agreed that "there were no detected organized channels for smuggling weapons, ammunition, explosives, or blacklisted substances through the jointly guarded border section."<sup>5</sup>

However, shortly after that, Lappo stated that in 2018, around 100 units of weapons and 1,200 live rounds were seized on the border shared with Ukraine. As he said, Ukrainian border

1 "Pop up, strike and leave." The President said what the Belarusian army should be, 5 Oct. 2018 at 12:59, <https://news.tut.by/economics/610560.html>

2 The term for eliminating dependence of Russian nuclear forces on Belarus was announced, September 12, 2018, <https://vz.ru/news/2018/9/12/941403.html>

3 "Pop up, strike and leave." The President said what the Belarusian army should be, 5 Oct. 2018 at 12:59, <https://news.tut.by/economics/610560.html>

4 Tsygkhal links Lukashenka's recent statements to a "large installment from the Russian Federation" 05.10.2018 <https://www.ukrinform.ua/rubric-politics/2552679-cigikal-povazue-ostanni-zaavi-lukashenka-z-velikim-transem-iz-rf.html>

5 Bilateral cooperation discussed at the working meeting of the chief border guard envoys of Belarus and Ukraine, 23.10.2018 <http://gpk.gov.by/news/gpk/36683/>



guards found over 100 units of weapons in the joint operation Rubezh.<sup>6</sup> Zas said that “Belarus just did not make smuggling episodes public.”<sup>7</sup> Most likely, Minsk is trying to avoid publicity when it comes to issues that may lead to the deterioration of the relationship with Ukraine. This looks true considering how the Belarusian authorities handled the Pavlo Sharoiko case in 2017.

**Strengthening border security.** The Concept of Border Security of the Republic of Belarus in 2018–2022 was approved on October 16. Although the situation with border security was assessed as generally satisfactory, it was said that “activity of sources and carriers of border insecurity still persist.” The main external border threats to Belarus include, among other things, problems with establishing state borders, militarization and increasing criminal activity in the cross-border region, transit of members of terrorist and criminal groups through Belarus, illegal migration and smuggling of goods, weapons, ammunition and illegal drugs.<sup>8</sup> Apparently, most of these threats stem from the situation in Ukraine.

At the September 24 meeting with Zas and Lappo, Lukashenka rejected the long-discussed reinforcement of the border troops by transferring personnel from other security agencies, most likely the army. He wanted the plan reconsidered by the end of the year. The president suggested “forming new subdivisions to cover the Ukrainian border substantially (...) to work more effectively in other areas.”<sup>9</sup>

Zas explained that the protection of some sections of the border would be enhanced through a redistribution of forces and means between security and defense agencies. “There will be no increase in the law enforcement and defense bloc of Belarus. There will only be an insignificant redistribution,” he said.<sup>10</sup>

According to Zas, primarily, frontier posts will be reinforced by “three to five and eight to ten people.”<sup>11</sup> Also, special combat units – mobile groups of 40 to 80 people – will be formed as detachment commanders’ reserves. Previously, almost all mobile groups were disbanded and used to cover the border with Ukraine, since this was done without increasing the State Border Committee’s personnel. “*Since 2014, we have deployed over 20 additional border detachments and posts in the south, including 18 posts on the Ukrainian border and one Mozyr border detachment,*” Zas said.<sup>12</sup>

Belarusian border guards not only increase their presence on the Ukrainian border, but also seek to neutralize the threat in the cross-border region. In October, a resident of Ukraine recruited in October 2017 by the State Border Committee of Belarus was convicted in Rivno. The Committee wanted information about the illegal mining and smuggling of amber, smuggling of weapons to Belarus, and also information about Ukrainian border guards. In December 2017, a similar case was examined in one of the courts of the Chernihiv region of Ukraine.<sup>13</sup>

6 The border is perfectly secured, September 26, SB Belarus Today, <https://www.sb.by/articles/granitsa-kontroliruetsya-nadezhno.html>

7 State Border Committee chief said how many units of weapons are detected on the Ukrainian border, 16 Oct. 2018, <https://news.tut.by/society/611788.html>

8 Decree of the President of the Republic of Belarus No.410 of October 16, 2018 “On Approval of the Concept for Ensuring Border Security of the Republic of Belarus in 2018–2022” <http://pravo.by/document/?guid=12551&p0=P31800410&p1=1&p5=0>

9 Belarus mulls border guards reinforcement, 24.09.2018, <http://www.belta.by/president/view/v-belarusi-obsuzhdaetsja-vopros-uvlichenija-chislennosti-pogranichnikov-318957-2018/>

10 The border is perfectly secured, September 26, SB Belarus Today, <https://www.sb.by/articles/granitsa-kontroliruetsya-nadezhno.html>

11 Head of the Security Council of Belarus: First of all, the border outposts will be reinforced, 24 Aug. 2018 <https://news.tut.by/economics/609088.html> will be strengthened on the border

12 The border is perfectly secured, September 26, SB Belarus Today, <https://www.sb.by/articles/granitsa-kontroliruetsya-nadezhno.html>

13 Ukrainian national confesses recruitment by Belarus to supply data on arms and amber smuggling, 23 Oct. 2018, TUT.BY <https://news.tut.by/society/612786.html?crnd=24874>

## Equipment of the national army

At the annual seminar for chief editors of national media outlets, Minister of Defense Andrej Raŭkoŭ spoke about the development of the army. The Ministry of Defense gets rid of out-of-use weapons, unnecessary materiel and property to the extent possible. *“For this purpose, nearly 5,000 units of weapons and military equipment and around 4,000 tons of ammunition have already been discarded this year. Another 1,500 units of weapons and equipment and 1,000 tons of ammunition will be discarded by the end of the year,”* he said.

In the first half of 2018, 33 new types of weapons and equipment were put into service, including the light armored MZKT vehicle, 2B23 120mm mortar, and RPO PDM-A rocket launcher. In total, the army received over 20,000 units of weapons and equipment. By the end of the year and in the first half of 2019, the armed forces will be provided with a Tor-M2K air defense battery, a Yak-130 flight simulator, four Yak-130 combat training planes, 33 Cayman armored vehicles and 32 BTR-70MB1 armored personnel carriers.<sup>14</sup>

## Exercises

A two-phase command and staff exercise was held on September 6-12. The military worked on blocking and elimination of illegal armed groups, search, compulsion to surrender or elimination of sabotage and reconnaissance groups and apprehension of illegal border crossers on land and in airspace. Taking part in the exercise were around 7,500 servicemen, 260 armored vehicles and 30 planes and helicopters.<sup>15</sup> Military attachés of 15 countries and observers from Latvia, Lithuania and Ukraine were invited.

There were a number of new elements in the exercise. The 51st artillery brigade moved long distances: 470 km a day to reach the training area and nearly 1,000 km during the maneuvers, including at night. It also interacted with the 927th UAV Center in searching, blocking and detaining sabotage and reconnaissance groups, including at night.<sup>16</sup>

The exercise also involved territorial defense management headquarters and defense councils of all regions, including the Maladziečna, Valožyn and Minsk districts of the Minsk Region.<sup>17</sup> They practiced clearing of an administrative building in Minsk captured by an illegal armed group.

The second stage of the comprehensive combat readiness check in the army took place from September 24 to October 18. Around 650 people were called up from the reserve. Civil enterprises provided 20 units of equipment.

On October 2-5, a tactical exercise was held in six districts of the Brest region. It involved the 38th air assault brigade of Belarus and a tactical battalion group of the 137th regiment of the Russian 106th airborne division. The military practiced searching, surrounding and eliminating illegal armed groups and sabotage-reconnaissance groups, and also heavy equipment and personnel landing. Belarus delegated around 1,500 airborne troopers, special operations and radio-electronic warfare units with over 200 pieces of weapons and equipment. The 106th airborne division of Russia participated in the exercise for the first time.

14 The Belarusian army is the most transparent one, 27 Oct. 2018 Issue number 202 <https://vsr.mil.by/2018/10/27/beloruskaya-armiya-samaya-otkrytaya/>

15 Major General Alieh Bielakonieŭ: “Application of the armed forces, structural elements of the state’s military organization for protection of sovereignty and territorial integrity of the Republic of Belarus will be practiced in this year’s command and staff exercise” 6 Sep. 2018, Issue No.165 <https://vsr.mil.by/2018/09/06/general-major-oleg-belokonev-v-xode-komandno-shtabnogo-ucheniya-etogo-goda-budut-otrabotany-voprosy-primeneniya-vooruzhonyx-sil-strukturnyx-elementov-voennoj-organizacii-gosudarstva-v-interesax-z/>

16 “Hurricane” on the march, Sep 11, 2018 Issue No.168 <https://vsr.mil.by/2018/09/11/uragan-na-marshe/>

17 Territorial defense: Additional reserve for the army, 19 Sep. 2018 Issue No.174 <https://vsr.mil.by/2018/09/19/territorialnaya-oborona-dopolnitelnyj-rezerv-dlya-vooruzhonyx-sil/>

In late September and early October, a joint exercise with special operations units of Belarus and Russian airborne forces was held near Novorossiysk. The scale is yet unknown. Probably, there were two or three battalions.

In October, Kazakhstan and Kyrgyzstan hosted the annual Combat Brotherhood strategic exercise with the Collective Rapid Reaction Force of the Collective Security Treaty Organization. It included Search-2018 tactical and special exercises for CSTO reconnaissance services and units (3,000 troops and more than 500 units of equipment, including planes and UAVs) on October 1-5 in Kazakhstan and the Interaction-2018 exercise for the CSTO CRRF (2,000 personnel and over 300 units of equipment, including 40 planes and helicopters) on October 10-16 in Kyrgyzstan. Belarus delegated a Defense Ministry's operational group, officers appointed to the CRRF headquarters and a unit of the 103rd detached airborne brigade of the special operations forces, which is part of the CRRF. In fact, the military rehearsed a response to destabilization in the region, which can be triggered by events in Afghanistan.

### **International contacts**

On September 25-27, Chief of General Staff of Belarus Alieh Bielakonieŭ made an official visit to Latvia. He met with Chairman of Defense, Internal Affairs and Corruption Prevention Committee of the Latvian parliament Ainars Latkovskis and Parliamentary Secretary at the Defense Ministry Viesturs Silenieks. Bielakonieŭ also discussed "regional security and allied obligations" and contacts between the air force and air defense of Belarus and the Latvian air force with Commander of the Latvian National Armed Forces Leonīds Kalniņš. The parties outlined further Belarusian-Latvian military cooperation areas.<sup>18</sup>

On October 8-10, Chief of General Staff of Armenia Lieutenant General Artak Davtyan made an official visit to Belarus to discuss international and regional security matters, bilateral cooperation and CSTO affairs.

A Chinese army delegation led by Aide to the Chief of the Political Work Department of the Central Military Commission of China Major General Wang Liping visited Belarus on October 10-13.

On October 12, a Belarusian delegation headed by Defense Minister Raŭkoŭ took part in a session of the CIS Council of Ministers of Defense in Tashkent.

A joint session of the boards of the Ministries of Defense of Belarus and Russia was held on October 25 in Minsk. Ministers Andrej Raŭkoŭ and Sergey Shoygu assessed the implementation of the joint plan of actions aimed at ensuring military security of the Union State and preparation for the Belarusian-Russian Union Shield-2019 exercise to be held in Russia. The parties signed a number of documents, including the agreement on the exchange of information on advanced technologies and projects.

On October 26, Almaty (Kazakhstan) hosted a regular meeting of the CSTO Military Committee attended by Chief of General Staff of Belarus Alieh Bielakonieŭ. The officials discussed a plan for military cooperation development for the period to 2020 and the situation in Central Asia.

## **2. Regional Security**

Undoubtedly, the termination of the Intermediate-Range and Shorter-Range Missiles Treaty was the most important event. On October 20, U.S. President Donald Trump announced his intention to withdraw from the Treaty. Minsk is trying to not needlessly jeopardize its relationship with Washington, given that the Belarusian government is unable to change

<sup>18</sup> Belarus-Latvia: Promoting cooperation, 27 Sep. 2018 Issue No.180 <https://vsr.mil.by/2018/09/27/belarus-latviya-rzvivaya-sotrudnichestvo/>

anything. The Belarusian defense minister cautiously told RIA Novosti, *“I think that withdrawal from these agreements will lead to ... increased tension in terms of an arms race. This is my personal opinion.”* Earlier, the Foreign Ministry said that the termination of the Treaty threatens regional and global security.<sup>19</sup>

In early October, the parties to the conflict in the east of Ukraine stepped up their actions. The Ukrainian army advanced in some areas of the so-called “gray zone” that divides the opposing sides. According to Kyiv, in October, the army took control over more than 10 square kilometers of the country’s territory.<sup>20</sup>

The increasing involvement of external actors in this confrontation was another important factor. First of all, this concerns the United States. When in the U.S. on September 18, Polish President Andrzej Duda said that his government would like to have a permanent U.S. military base in Poland. According to Duda, it would be the only guarantee of Poland’s security. Belarus did not welcome that idea.<sup>21</sup>

Along with the United States, Germany has become more active. It started the construction of a new navy command center and a crisis headquarters for NATO naval forces or EU operations in the Baltic Sea in Rostock on September 4. This shows the shift of the focus of German navy operations towards the eastern Baltics, since the new center will be located much further to the east of the existing center in Flensburg.<sup>22</sup>

### **Regional exercises**

The Rapid Trident-2018 international exercise took place on September 3-15 in the Lviv region of Ukraine with more than 2,200 military personnel and 350 units of equipment from 14 countries: Ukraine, the U.S., Azerbaijan, Bulgaria, Great Britain, Georgia, Denmark, Canada, Lithuania, Moldova, Germany, Romania, Poland and Turkey.

On September 25-29, the Ukrainian army and security agencies conducted Kozatska Volia-2018 strategic command and staff exercise in various regions of Ukraine. The exact scale is unknown. Most likely, it was very large. Elements of the exercise related to territorial defense took part in Volhynia, which borders on Belarus.<sup>23</sup>

In the first half of October, the Ukrainian army and security agencies practiced the elimination of troops landing on the coast of the Sea of Azov. The exercise involved 600 servicemen and 150 units of equipment.

The Clear Sky-2018 international exercise took place on October 8-19 in the western and central regions of Ukraine. NATO members – Belgium, Great Britain, Denmark, Estonia, the Netherlands, Poland, Romania and the U.S. – were involved. Ukraine sent five air force units and around 350 servicemen.

### **Regional force buildup**

**Redeployments.** In October, the State Border Guard Service of Ukraine announced an increase in the number of units on the border with Belarus. According to Service chief

19 Раўкоў: The U.S. withdrawal from the nuclear treaty will lead to an arms race, 27 Oct. 2018 TUT.BY <https://news.tut.by/economics/613339.html>

20 Joint forces report liberation of new territories on Donbas since early August, 01 Oct. 2018, <https://www.unian.ua/war/10281381-v-oos-zayavili-pro-zvilnennya-novih-teritoriy-na-donbasi-z-pochatku-serpnya.html>

21 MFA on Poland’s intention to host U.S. military base: This is a zero sum game, 27 Dec. 2018, TUT.BY <https://news.tut.by/economics/609517.html?crnd=74867>

22 Sabine Siebold, Militärs ringen um die Ostsee - Der Hotspot vor Deutschlands Haustür 6. September 2018 <https://de.reuters.com/article/deutschland-ostsee-marine-idDEKCN1LM14N>

23 Kozatska Volia-2018: Territorial defense is an important element of defense, 29 Sep. 2018, <http://www.mil.gov.ua/news/2018/09/29/kozaczka-volya-2018-teritorialna-oborona-vazhliva-skladova-oboronozdatnosti/>

Petro Tsygkal, this is in line with the new tactics: “units of the State Border Guard Service move closer to the border and protect 20-kilometer sections instead of areas within 100 kilometers.”<sup>24</sup>

On October 4, the Lithuanian Defense Ministry announced the construction of three new battalion-size military bases in Siauliai, Silale and Vilnius districts. One of the battalions of the Iron Wolf infantry brigade will be stationed at the new base in the Vilnius District.

On October 10, the Latvian Defense Ministry announced a considerable expansion of the military base in the Latgale district near Daugavpils. It is expected to be finished in six years.

On October 10, the Lithuanian and German Defense Ministers signed a protocol, according to which the Lithuanian Iron Wolf brigade will be attached [*priskirti*] to a German tank division. The Lithuanian Ministry of Defense believes that this will enable the brigade “to participate in maneuvers and training activities being part of both German tank divisions, thus prioritizing the division, which sends troops for the NATO Enhanced Forward Presence in Lithuania.”<sup>25</sup>

**Armaments.** It became known in late October that 16 newest Samarkand radio-electronic combat systems were placed at 13 Russian navy facilities, including in Belarusian Viliejka and in the western regions of the Russian Federation, particularly in the Arkhangelsk, Kaliningrad, Moscow and Murmansk regions. According to official sources, the works are supposed to be completed by November 2019.<sup>26</sup>

In September, it became known about the contract on the purchase of 84mm caliber ammunition for Carl Gustav rocket launchers by the Latvian Ministry of Defense signed as far back as August 29. On September 11, the Latvian government approved the purchase of four UH-60M Black Hawk helicopters to be supplied starting in 2021.

On October 11, the Lithuanian army received 54 Unimog U5000 trucks. On October 18, the Latvian army reported the receipt of the last of 47 used 155mm M109A50e type A self-propelled howitzers procured from Austria. Seven of them will be located at the base in Luznava, Latgale district (borders on Belarus). On October 22, Latvia reported the receipt of the first eighteen Sportsman Big Boss and MRZR-2 tactical vehicles.

The analysis of three-month satellite surveillance published in October indicated the likely expansion of nuclear-related facilities at four Russian military bases in the Kaliningrad region.<sup>27</sup> Bob Woodward writes in his book published in September that back in 2017, Russian representatives warned U.S. Secretary of Defense James Mattis that Russia would use tactical nuclear weapons against NATO in the event of a war in the Baltic Sea.<sup>28</sup>

On September 6, the National Security and Defense Council of Ukraine approved a series of measures to increase Ukraine’s military presence in the southern regions, on the Azov and Black Seas. It is planned to increase the naval presence, build up infrastructure, arm the coast guards with new rocket launchers, etc. On October 3, sixteen repaired T-64 and T-80 tanks and five new BTR-4 armored personnel vehicles were solemnly delivered to the Ukrainian army.

24 Tsygkal links Lukashenka’s recent statements to a “large installment from the Russian Federation”, 05.10.2018 <https://www.ukrinform.ua/rubric-politics/2552679-cigikal-povazue-ostanni-zaavi-lukasenka-z-velikim-transem-iz-rf.html>

25 Lietuvos karinė brigada priskiriama Vokietijos kariuomenės divizijai, 2018 vasario 14d., <https://www.15min.lt/naujiena/aktualu/lietuva/lietuvos-karine-brigada-priskiriama-vokietijpartarting>.

26 Defense Ministry deployed Samarkand units near Kaliningrad, Vedomosti October 28, <https://www.vedomosti.ru/politics/news/2018/10/28/784890-samarkand>

27 New satellite images suggest military buildup in Russia’s strategic Baltic enclave, CNN, October 17, 2018 <https://edition.cnn.com/2018/10/17/europe/russia-kaliningrad-military-builp.int/index.html>

28 Bob Woodward, *Fear: Trump in the White House*, Simon & Schuster, 2018, p. 132.

### **Confidence-building measures in the region**

On September 11-13, a group of Ukrainian officers inspected a designated area of Belarus and the 38th air assault brigade. No violations of international agreements were detected.<sup>29</sup>

From October 25 to November 23, NATO held the Trident Juncture exercise (the largest one since 2002) in Norway. Belarusian and Russian observers were invited. Admiral James G. Foggo III, Commander of U.S. Naval Forces in Europe and Africa, Commander of Allied Joint Force Command, said, "I want them to be there because that conveys the strength of the alliance."<sup>30</sup>

On October 30, a Belarusian group inspected the Lithuanian Samogitia brigade in the Klaipeda Region.

### **Forecast**

Belarus will seek to avoid confrontation. On the one hand, this means the maximum possible demilitarization of security measures, even those related to the protection of the southern border. On the other hand, Minsk will continue cooperating with Russia and the CSTO as usual, and maintain active contacts with NATO, including with individual NATO members, both in terms of transparency of military activities and direct cooperation, in other words, pursuing the policy of "strategic hedging" through building ties with everyone, rather than the policy of isolation through reducing contacts.

Minsk will focus on safeguarding national security on its own. This means inevitable rebuilding of the national defense architecture in favor of more lightly armed and highly mobile forces, procurement of domestically manufactured defense products, or import of equipment and technologies from countries other than Russia (for example, China).

The regional confrontation will slowly increase, and the boundaries between the alliances will become more distinct, as can be judged from the investments in military facilities and rearmament and involvement of allies in the said activities by all parties except Belarus.

Despite the creeping, yet demonstrative militarization of the region by all parties except Belarus, the scope of these efforts will still be quite limited. Even in Ukraine, which is currently at war, military efforts will remain modest, as Kyiv is clearly unable to cope even with minimum rearmament of its armed forces.

<sup>29</sup> Ukrainian military inspection group checks "designated area" of Belarus, 16 Aug. 2018, BelaPAN <https://news.tut.by/economics/608156.html>

<sup>30</sup> New satellite images suggest military buildup in Russia's strategic Baltic enclave, CNN, October 17, 2018 <https://edition.cnn.com/2018/10/17/europe/russia-kaliningrad-military-builp.int/index.html>

## Appendix 1

### Catalogue of events underlying the relations development indices

## Relationship with Russia

| Date              | Event   | Point      |
|-------------------|---|------------|
| 3 September       | Telephone conversation between Rumas and Medvedev   | +1         |
| 11 September      | Babich meets with Makiej (Babich: Belarus is the main ally)   | +1         |
| 21 September      | Presidents meet in Sochi  | +3         |
| 22 September      | Telephone conversation between Putin and Lukashenka   | +2         |
| 4 October         | Babich and Rusy in Hrodna Region  | +1         |
| 12 October        | Forum of the Regions of Belarus and Russia in Mahilioŭ  | +3         |
| 15 October        | Session of the Synod of the Russian Orthodox Church in Minsk  | +1         |
| 18 October        | Additional payments are made to the Russian budget under the customs duties scheme                      | +1         |
| 24 October        | Shoygu visits Minsk   | +1         |
| September-October | Representatives of concerned ministries, agencies meet to prepare indicative balance for dairy products | +2         |
| September-October | Meetings of representatives of financial authorities  | +2         |
| September-October | Agency meetings addressing crude oil supplies   | +2         |
| September-October | Agency meetings addressing natural gas supplies   | +1         |
| <b>Total</b>      |   | <b>+21</b> |

## Relationship with the EU

| Date            | Event  | Point      |
|-----------------|--|------------|
| 4-6 September   | Kraŭčanka visits Germany, consultations are held between the Foreign Ministries at the level of deputies                                 | +1         |
| 5 September     | Makiej meets with Ambassador of Hungary Zsolt Csutora  | +1         |
| 12-13 September | Kraŭčanka visits Poland, consultations are held between the Foreign Ministries at the level of deputies                                  | +1         |
| 24 September    | Kraŭčanka meets with Ambassador of Portugal Paulo Vizeu Pinheiro   | +1         |
| 1 October       | Kraŭčanka meets with Simon McDonald, Permanent Under Secretary and Head of the Diplomatic Service at the Foreign and Commonwealth Office | +1         |
| 3-5 October     | Šestakoŭ visits the Czech Republic   | +1         |
| 4 October       | Kraŭčanka visits Brussels, participates in a meeting of senior officials of the EaP countries  | +1         |
| 5 October       | Negative response of the Belarusian Foreign Ministry to a resolution of the European Parliament  | -1         |
| 8 October       | Kraŭčanka meets with Ambassador of the Czech Republic Tomáš Pernický   | +1         |
| 10 October      | Dapkiunas meets with Andrea Wiktorin, Head of the EU Delegation to Belarus   | +1         |
| 15 October      | Makiej participates in annual meetings of foreign ministers of the EaP countries in Luxembourg   | +2         |
| 18 October      | Kraŭčanka meets with Ambassador of Hungary Zsolt Csutora   | +1         |
| 22 October      | Ščotkina meets with Ambassador of Italy Mario Giorgio Stefano Baldi  | +1         |
| 25 October      | Makiej meets with Lord Eric Pickles, UK Post Holocaust Envoy, member of the House of Lords   | +1         |
| 26 October      | Kraŭčanka meets with Secretary of State to the Minister for Europe and Foreign Affairs Jean-Baptiste Lemoine                             | +1         |
| <b>Total</b>    |  | <b>+23</b> |



## Relationship with China

| Date            | Event  | Point |
|-----------------|--|-------|
| 3 September     | Chinese Rating Agency China Chengxin International Credit Rating Co., Ltd. (CCXI) assigned Belarus its AA+ national scale sovereign credit rating with a stable outlook, BBg global scale sovereign rating                             | +1    |
| 4 September     | Meeting of the bilateral commission on scientific and technical cooperation with the participation of Chairman of the State Committee on Science and Technologies Šumilin and Minister of Science and Technology Wang Zhigang, Beijing | +1    |
| 7 September     | Prime Minister Rumas meets with Ambassador of China to Belarus Cui Qiming  | +1    |
| 9-10 September  | Visit of a delegation of the National Health Commission of China, meeting with Minister of Health Malaška  | +1    |
| 10 September    | Trade and economic forum Shanghai Sail, Minsk  | +1    |
| 10 September    | Visit of a delegation of the Hainan Province, led by the Director General of the Hainan Bureau of Geology, Li Haizhong, meeting with Minister of Natural Resources and Environmental Protection Chudyk                                 | +1    |
| 12-13 September | Visit of a delegation of Qingdao led by Mayor Meng Fanli; Business Forum (Belarus-Qingdao) of the China-SCO Regional Trade and Economic Cooperation Pilot Zone   | +1    |
| 20-22 September | Visit of Zhao Leji, Secretary of the Central Commission for Discipline Inspection of the CPC, meetings with Lukashenka, Rumas, Miasnikovič, Kačanava   | +2    |
| 24-25 September | Visit of a delegation of the Shandong Province, led by Deputy Mayor of Jinan Wang Guiying, meeting at the National Academy of Sciences of Belarus  | +1    |
| 24-25 September | Visit of a delegation of the Qinghai Province, led by the secretary of the provincial party committee, Wang Jianjun, meeting with the Deputy Minister of Economy Matusievič  | +1    |
| 26 September    | Reception celebrating the 60th anniversary of the People's Republic of China, attended by Ambassador Cui Qiming and Deputy Head of the Presidential Administration Snapkoŭ   | +1    |
| 27-28 September | Visit of a delegation of the Province of Jiangsu, led by Governor Wu Zhenglong, meeting with Rumas; Belarusian-Chinese Business Forum "One Belt, One Way: Mahilioŭ Region and Jiangsu Province Together towards the Future"            | +1    |
| 1 October       | Lukashenka congratulates Xi Jinping on the National Day of the People's Republic of China  | +1    |
| 10-13 October   | A military delegation of the Central Military Council of China, led by Major General Wang Liping, visits Belarus   | +1    |
| 12 October      | Prime Minister Rumas meets with Chinese counterpart Li Keqiang in Dushanbe at a SCO Summit   | +1    |
| 16 October      | A delegation of the Government of Shanghai visits Minsk  | +1    |
| 16 October      | A representative office of China Development Bank unveiled in Minsk  | +1    |
| 17-21 October   | Visit of a delegation of the National People's Congress led by Ren Xianliang, Deputy Chairman of the Social Development Affairs Committee of the National People's Congress  | +1    |
| 18 October      | Workshop on trade and economic cooperation between the province of Guangdong and the Minsk Region, Minsk   | +1    |

## MINSK BAROMETER: Monitoring of foreign policy and regional security

№ 5 (September and October 2018)

| Date         | Event  | Point      |
|--------------|--|------------|
| 19 October   | Visit of the All-China Committee of the Chinese People's Political Consultative Conference led by Deputy Chairman Gu Shengzu | +1         |
| 22 October   | Visit of a delegation of the General Administration of Customs of China led by Deputy Minister Wang Lingjun                  | +1         |
| 24 October   | Council of the Republic ratifies articles of the agreement of the Asian Infrastructure Investment Bank (AIIB)                | +1         |
| <b>Total</b> |  | <b>+23</b> |

## Relationship with the U.S.

| Date         | Event  | Point     |
|--------------|--|-----------|
| September    | Belarus's negative response to the initiative to open a U.S. military base in Poland   | -1        |
| 12 October   | Regular round of dialogue on human rights between Belarus and the U.S.   | +1        |
| 18 October   | U.S. Assistant Secretary of State Wess Mitchell voices new U.S. strategy on Central and Eastern Europe. Relations with Belarus may become more pragmatic | +1        |
| 18 October   | U.S. deports to Belarus 21-year-old Hrodna resident who had fled from prosecution  | +1        |
| 23 October   | Uladzimir Makiej meets with Chairman of the U.S. Commission for the Preservation of America's Heritage Abroad Paul Packer                                | +1        |
| 24 October   | U.S. extends suspension of sanctions for 12 months instead of six  | +1        |
| 25 October   | Minsk's negative reaction to U.S.' withdrawing from the INF Treaty   | -1        |
| 31 October   | U.S. Assistant Secretary of State Wess Mitchell visits Minsk, meets with Lukashenka and Makiej   | +2        |
| 31 October   | Lukashenka's positive remarks about prospects of partnership with the U.S.   | +1        |
| <b>Total</b> |  | <b>+5</b> |

## Relationship with Ukraine

| Date            | Event  | Point |
|-----------------|--|-------|
| 4-6 September   | Work of the demarcation commission   | +1    |
| 12-13 September | Ukraine's military inspection in Belarus   | +1    |
| 21 September    | Successful completion of joint exercise of the State Border Committee of Belarus and the State Border Service of Ukraine Frontier 2018 | +1    |
| 22 September    | Vote of the Belarusian delegation in the UN on the Ukrainian issue   | -1    |
| 24 September    | Lukashenka's statement about "trouble from Ukraine"  | -1    |
| 24 September    | Proposal of the permanent representative of Ukraine at the United Nations to move the negotiating platform on Donbas away from Minsk   | -1    |
| 2 October       | Kuchma thanks Belarus  | +1    |
| 5 October       | Vakulčyk says Sharoiko may be pardoned   | +1    |
| 8 October       | Belarusian border guards recruited a Ukrainian citizen, a court confirms   | -1    |
| 11 October      | Meeting of the mixed commission for trade and economic cooperation   | +1    |
| 11 October      | Zubko announces the promotion of inland water transport and likelihood of cheaper Belarusian fuel as a result                          | +1    |
| 8 October       | Lukashenka meets with Yushchenko   | +1    |
| 25 October      | Detention of Balaban   | -1    |
| 25 October      | Klimkin's statement about the dangers of trips to Belarus  | -1    |
| 25 October      | Answer of the spokesman for the Belarusian Foreign Ministry to Klimkin's statement   | -1    |
| 23 October      | A mechanism for joint investigation of incidents on the border is approved   | +1    |
| 23 October      | Meeting of the chief border commissioners  | +1    |
| 25 October      | Palityka does not complain about conditions in his pre-trial cell  | +1    |
| 25 October      | Forum of the Regions of Belarus and Ukraine  | +2    |
| 26 October      | Poroshenko meets with Lukashenka   | +3    |
| 26 October      | Poroshenko's statement about trust in Lukashenka   | +1    |
| 26 October      | Lukashenka comments on peaceful cooperation and willingness to join in the resolution of the conflict in Donbas                        | +1    |
| 26 October      | Six cooperation agreements between regions of Belarus and Ukraine. Readmission agreement is signed                                     | +2    |
| 26 October      | Presidents agree to set up a working group to lift anti-dumping sanctions  | +1    |
| 26 October      | Poroshenko's statement about the possible launch of a Ukrainian TV channel in Belarus  | +1    |
| 23 September    | Belarusian companies win a record tender for road maintenance in Ukraine   | +1    |
| 23 September    | A protocol on interaction in transboundary waters is signed  | +1    |
| 23 October      | Belorusneft to drill additional nine wells for DTEK Naftogaz   | +1    |

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| 24 October   | Belorusneft and UkrGasVydobuvannya sign a memorandum on expanding cooperation                               | +1         |
| 20 October   | Belorusneft is among five companies allowed to participate in tenders for PEC contracts                     | +1         |
| 26 October   | Belorusneft signs additional contracts for the development and maintenance of wells with UkrGasVydobuvannya | +1         |
| 26 October   | Belarusian Oil Company sees fuel supplies to Ukraine at USD 2.2 billion in 2018                             | +1         |
| 26 October   | BelAZ to supply an additional 20 dump trucks to Metinvest   | +1         |
| <b>Total</b> |   | <b>+23</b> |

## Appendix 2

### Catalogue of events underlying the security indices

| Date                    | Event  | National security | Regional tension       |
|-------------------------|--|-------------------|------------------------|
| September-October       | Rearmament of the Belarusian army  | +1                | 0                      |
| September-October       | Reinforcement of the border with Ukraine   | +1                | 0                      |
| 3-15 September          | Rapid Trident-2018 international exercise in Ukraine   | 0                 | 0                      |
| 6 September             | Decision of the National Security and Defense Council of Ukraine to increase Ukraine's military presence in the southern regions, on the Azov and Black Seas | 0                 | -1                     |
| 6-12 September          | Command and staff exercise of the Belarusian army  | +2                | 0                      |
| 11-13 September         | Ukrainian officers inspect an area in Belarus and the 38th assault battalion   | 0                 | +1                     |
| 24 September-18 October | Second phase of the integrated combat readiness check in the Belarusian army   | +1                | 0                      |
| 25-27 September         | Official visit of Chief of General Staff of Belarus Bielakonieŭ to Latvia  | +1                | +1                     |
| 25-29 September         | Kozatska Volia-2018 strategic command and staff exercise in Ukraine  | 0                 | 0                      |
| Early October           | Increased armed hostilities in the east of Ukraine   | -1                | -1                     |
| Early October           | Start of the construction of new military facilities in Lithuania and Latvia   | -2                | -2                     |
| 2-5 October             | Belarusian-Russian special-operations forces exercise in the Brest region  | +1                | 0                      |
| 10 October              | Affiliation of Lithuanian Iron Wolf brigade with the German tank brigade   | -1                | -1                     |
| 17 October              | Information about expansion of Russian nuclear presence in the Kaliningrad region  | 0                 | -1                     |
| 20 October              | Dissolution of the nuclear treaty  | -4                | -4                     |
| 25 October              | Session of the joint board of the Belarusian and Russian Defense Ministries  | 0                 | 0                      |
| 25 October-23 November  | Belarusian observers oversee Trident Juncture exercise in Norway   | 0                 | +1                     |
| Late October            | Deployment of state-of-the-art Samarkand radio-electronic warfare systems at 13 Russian navy facilities, including in Belarus and western regions of Russia  | 0                 | -1                     |
| 30 October              | Inspection of Lithuania's Samogitia brigade by Belarusian officers   | +1                | +1                     |
| <b>Conclusion</b>       |  | <b>+0</b>         | <b>-7<br/>(Yellow)</b> |

### Appendix 3

#### Colour scale of regional security tensions

| Colour Value  | Numerical Value | Interpretation   |
|---------------|-----------------|--|
| <b>White</b>  | more than -1    | Low likelihood of escalation.<br>Non-threatening situation   |
| <b>Green</b>  | from -2 to -6   | Presence of military activities, which do not pose a direct threat and will not necessarily lead to the escalation of tensions. Such a situation calls for cautious attention. |
| <b>Yellow</b> | from -7 to -12  | Military and other activity is observed that is capable of leading to the escalation of tensions. The situation calls for close attention.                                     |
| <b>Orange</b> | from -13 to -17 | Military preparations in the region. Growing tensions. Situation is threatening.   |
| <b>Red</b>    | -18 and less    | Sharp escalation of tensions. The conflict is virtually unavoidable. A pre-war situation.  |

## Authors

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