

MINSK BAROMETER

Monitoring of
foreign policy and
regional security

Dear readers!

We are pleased to present the seventh issue of Minsk Barometer, which analyzes Belarus's foreign policy and the security status in January and February 2019.

The severity of the conflict with **Russia** in the public sphere has slackened significantly, but none of the issues on the bilateral agenda has yet been resolved.

The intensity of contacts with the **European Union** is increasing at a high political level; cooperation with European financial institutions is expanding in volume; however, this headway has not been transformed yet into any palpable progress concerning politically significant arrangements.

The **China** dimension is characterized by the consistent scheduled implementation of bilateral projects; two-way trade is growing, but Belarus is still facing a trade deficit that will not decrease.

In its relationship with the **U.S.**, Minsk is eliminating the last formal obstacles to the restoration of full diplomatic relations.

Belarusian companies keep strengthening their positions in the **Ukrainian** market. The upcoming presidential election in Ukraine has produced a negative impact on the relationship between the two countries.

The regional **security situation** continues to evolve towards slow yet steady militarization. A likely scenario for the foreseeable future envisages growing military presence and deployment of new military facilities and weapons in the region.

Best regards,

Dzianis Melyantsou,

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Coordinator of Belarus's Foreign Policy programme,
Minsk Dialogue Track-II Initiative

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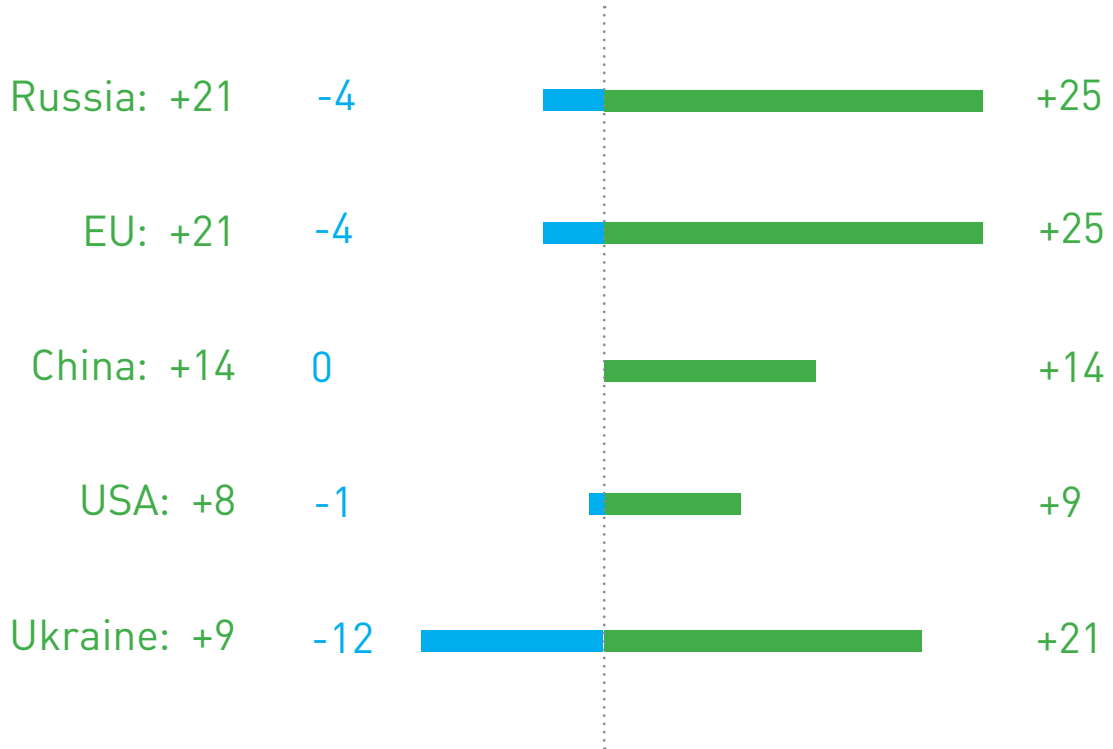
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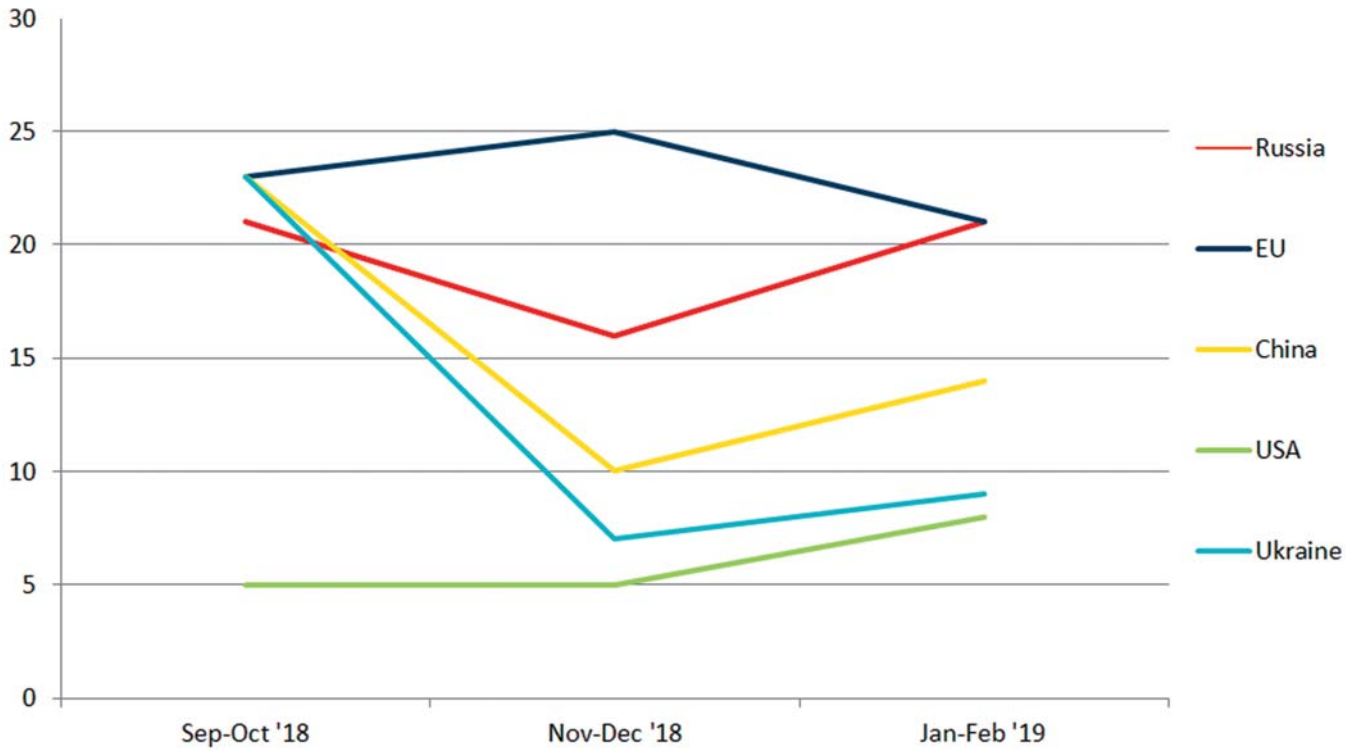


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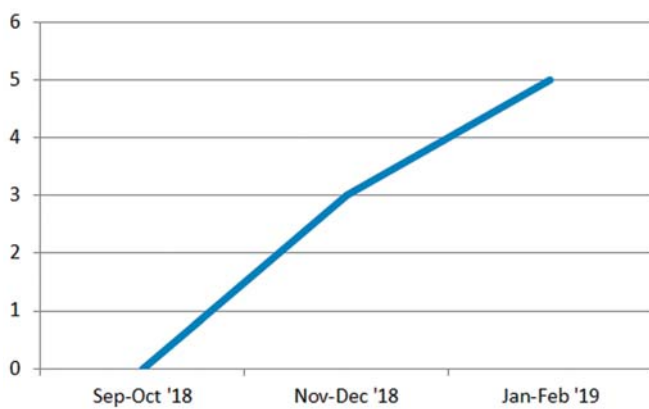


The green level indicates the presence of military activities, which do not pose a direct threat and will not necessarily lead to the escalation of tensions. Such a situation calls for cautious attention.

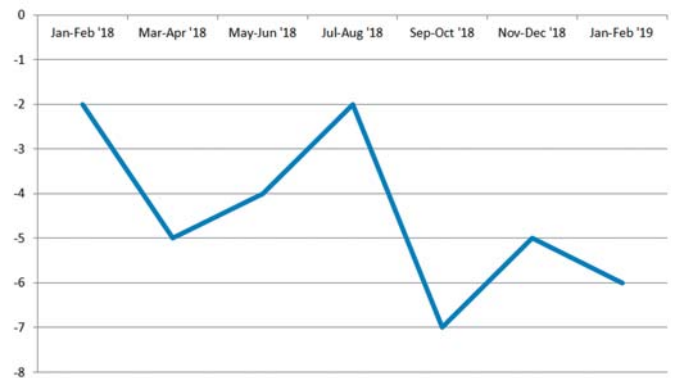
Dynamics of foreign policy indices



National security



Level of regional tension



Relationship with Russia

+25



Resulting index: +21

Positive points: +25

Negative points: -4

-4

Trends

1. The severity of the conflict in the public sphere has significantly decreased, and the parties have begun preparations for the 20th anniversary of the Union State.
2. Belarus and Russia are taking measures to reduce public expectations from the audit of the Union Agreement.
3. None of the issues on the bilateral agenda has been resolved.

Developments and processes

Political agenda

During the first two months of 2019, the density of contacts between the leaderships of Belarus and Russia remained very high; however, this failed to de-stress the bilateral agenda even partially. Moreover, the few temporary decisions taken in January-February indicate that neither side expects to reach fundamental agreements in the near future.

Importantly, the two countries invest a great deal of political will and efforts in order to improve the current negative political background of the bilateral collaboration. Putin and Lukashenka, along with the heads of the government, spent lots and lots of time demonstrating the allied nature of the relationship. It would be reasonable to assume that if Putin, the leader of the state that is still of global importance, spent three days of his time meeting with the Belarusian leadership without achieving any practical results, then Belarus was not the only country that needed that demonstration.

The frequent meetings between the Russian and Belarusian leaders, and especially the context, in which they were embedded, question the credibility of the insistent statements by the Russian and some Belarusian media that those meetings were required exclusively by Belarus, and that it was Belarus that had less time to resolve the issues on the bilateral agenda.

Here we need to take into account the fact that compensation for the tax maneuver is not included in the budget for 2019, and therefore, Belarus has time until the end of this year to address this matter. Another issue that is sensitive for Belarus – natural gas prices and rates applied to its transit through the Russian territory – was also settled for the period up until the end of 2019. In previous years, the difference between the price of energy resources for Belarus and the countries of the region was markedly greater than it is now, and that margin accounted for a much bigger portion of both budget revenues and support for the stability of the financial system. But even in that situation of heavier dependence, Belarus used to postpone negotiations over the terms of trade in Russian energy until the final days of the year, or had the sale/purchase issue settled a lot later. When it comes to the circumstances

of 2019/2020, it is hard to identify those that would cause the Belarusian side to be in an awful hurry, unless the authorities feel vulnerable to the approaching election campaign.

Natural gas

Meanwhile, Russia has an urgent problem related to its gas transit to the EU after 2019. Whereas in the case of Belarus – one of the two key transit corridors for gas flows to the EU – the issue could be addressed later due to stable working relationships, Ukraine has become a very hard country for Russia to negotiate with. Even more so because these negotiations are not in the face-to-face format (Gazprom vs. Naftogaz), but include European buyers of Russian gas as well.

For 2019, the mathematics of Russian transit looks as follows: Russia sells about 170 billion cubic meters of natural gas in its main consumer market – the EU. Of these, 55 billion cubic meters are transited annually via Nord Stream-1, while Belarus accounts for 44 billion cubic meters per year and Ukraine, for 80 billion cubic meters. Gazprom has no contract with Ukraine for 2020, and there is no contract for gas supplies to Belarus, either, which leaves some uncertainty about transit. Nord Stream-2, which is projected to eventually take over most of the Ukrainian transit, will not become operational by 2020¹. 70% of Russian gas supplies to the EU therefore remain undecided. Ukraine's Naftogaz appeals to European courts² demanding USD 3 billion from Gazprom alongside transit guarantees in 2020-2025 as a precondition for a transit contract for 2020. The dismissal of Gazprom's three executives in late February is indirect evidence of the critical situation at the company.³

A contract with Belarus would lend Gazprom additional stability in its negotiations with Ukraine and its European advocates. As is known, Minsk seeks to revise the tariff on gas transit to Belarus through the territory of Russia. On the one hand, Russian officials and the media have created such a negative background around the negotiations with Belarus that even if part of Belarus's expectations should be met in such a sensitive environment, any concession would look like surrender. On the other hand, it probably does make sense for Belarus to take a pause, because in the second half of the year, Gazprom might appear to be more concessive, due to both the lack of time and the pressure inside Russia coming from competitors, in particular, Rosneft, which is looking to obtain the right to export natural gas.⁴

Security and foreign policy

There is another issue, in which Belarus's stance means a lot to Russia – Russia's role in European security. The U.S.' withdrawal from the INF Treaty, as well as Poland's "Fort Trump" initiative markedly affect Russia's credibility in this area, validating its transition from the category of global powers to that of one of the key regional countries. The Kremlin perceives it as an extremely sensitive issue. In this context, Belarus offers its complete support for Russia's interests, because the strengthening of the U.S. in Eastern Europe might tempt Russia to regain some of its influence by subordinating Belarus. It is very likely that Belarus's current degree of support is not sufficient for the Kremlin now, and it would like to have guarantees that Belarus's position will remain unchanged in the future, and, specifically, in case of power transit ("we are not eternal"⁵). However, the Belarusian

1 Kommersant: EU's new gas directive might leave Nord Stream-2 half-empty, https://www.gazeta.ru/business/news/2019/02/18/n_12652357.shtml

2 Naftogaz begins to recover debt from Gazprom in Luxembourg, <https://www.kp.ru/online/news/3401828/>

3 Reasons behind dismissals of Gazprom's top executives revealed in Germany, <https://www.pravda.ru/economics/1408239-gazprom/>

4 What opportunity do amendments to the EU's gas directive offer Rosneft?, <https://teknoblog.ru/2019/02/28/97279>

5 Meeting with President of Russia Vladimir Putin concerning humanitarian issues, http://president.gov.by/ru/news_ru/view/poseschenie-obrazovatel'nogo-tsentra-siriusi-v-sochi-20515/

political system is organized in such a way that there are no guarantees for such a case, and even conversations about guarantees of this kind undermine its stability. At the same time, Russia's reputation is such that the formulation of such questions is perceived by itself as a threat. This matter calls for exceptionally subtle balancing by the Belarusian authorities.

Visas and Belarusian export

In the context of the European Games and problems with the crossing of the Belarus-Russia border by foreigners, an agreement on mutual recognition of visas appears to be an urgent challenge for Belarus. The issue had temporarily been resolved at the end of February in the same way as the entry of foreign fans visiting the games of the 2018 FIFA World Cup in Russia in the summer of 2018.⁶

Bilateral trade in 2018⁷ and the first month of 2019⁸ attests to Belarus's deteriorating positions in the Russian market. The deficit of trade with Russia in 2018 reached of USD 9.7 billion. The end of the year saw a marked curtailment of exports of butter and dairy products to Russia, as well as agricultural machinery.

On February 13, ahead of the meeting of the two presidents in Sochi, Belarus and Russia signed in Moscow another "roadmap" to lift restrictions on supplies of Belarusian food to Russia, while on the eve of the meeting, the Ministry of Agriculture and Food noted improvements in two-way trade. However, last year, deliveries of the main dairy products to Russia (fresh milk, powdered milk and butter) dropped by a third despite the permanent negotiation process seeking to remove limitations.

Working group on the audit of the Union Treaty

At the end of last year, Russia initiated an audit of the Union Treaty in response to Belarus's insistence to start moving towards equal conditions in the oil and gas markets in 2020-2024, because they should begin operating within the EEU framework starting in 2025. Russia assumes that even a partial extension of the domestic conditions to the ally before the common markets become operational should be conditional on Russia's and Belarus's Union State commitments.

In fact, the agreements on oil and gas could have been formalized both on a bilateral interstate basis and within the EEU, but Russia decided to have another audit of its cooperation within the Union State. The development of integration within the framework of the Union State in 2009-2010 ended in deadlock because of Russia's unwillingness to observe the parity principle of decision-making, which is the cornerstone of the 1999 Treaty. Therefore, a significant portion of the bilateral agenda was initially transferred to the Customs Union of EurAsEC (in 2011) and then to the EEU (in 2015), where the decision-making pattern is closer to that proportional, i.e. Russia has a much stronger voice than its allies.

An intergovernmental working group and similar groups in Russia and Belarus have been established to audit the Union Treaty and develop recommendations to promote further integration. The Russian part of this group is led by Maxim Oreshkin, the minister of economic development, and the Belarusian side is headed by Zmicier Kruty, the minister of economy.

⁶ Federal law dated 21.02.2019 No. 13-FZ, <http://publication.pravo.gov.ru/Document/View/0001201902210004?index=0&rangeSize=1>

⁷ Export and import with the EEU countries in 2018, <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/statistika-vneshneekonomicheskoy-deyatelnosti/vneshnyaya-torgovlya-tovarami/godovye-dannye/eksport-i-import-so-stranami-eaes-v-2017-godu/>

⁸ Commodity trade balance of the Republic of Belarus, <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/statistika-vneshneekonomicheskoy-deyatelnosti/vneshnyaya-torgovlya-tovarami/operativnye-dannye/balans-vneshney-torgovli-tovarami-respubliki-belarus/>

Throughout January and February, both Lukashenka and members of the Belarusian part of the group repeatedly outlined Belarus's approaches to integration: exclusively equal footing, preservation of the sovereignty of the two countries, and establishment of supranational institutions in addition to those existing now only in response to the effective resolution of economic integration issues (common markets, gas and oil prices).

Media and pressure groups

The meetings of the Russian and Belarusian leaders in Sochi in an emphatically friendly atmosphere produced little impact on the coverage of the bilateral relations by the media – with the exception of the official media of both countries, the rest of them reiterated their usual mutual fears, threats, and accusations. The negative media background of the bilateral relationship is driven primarily by the persistence of conflict-caused tension regarding the key issues of cooperation, as well as the interests of other countries in the region and stakeholders that become increasingly involved in the development of agreements.

In previous years, at the beginning of the elaboration of the interstate contractual framework, the relations between pressure groups and state agencies in Russia and Belarus were markedly different and dictated different approaches. In Russia, for example, the government could generate ultimatum-sounding demands for natural monopolies to make concessions in order to resolve political issues, whereas the influence of ultimate producers was very weak due to their insignificant role in the economy. In Belarus, the government used to be completely subordinated to the interests of state producers. But over time, in Russia, the government has transformed into an agency that lobbied for the interests of big businesses. In the meantime, in Belarus, the influence of state manufacturers has decreased, while the role of business has become more prominent. As a result, business, industry associations, and the military-industrial complex are more actively lobbying for their interests, including publicly, involving the media, while the political leadership has lost its absolute monopoly in shaping the bilateral agenda.

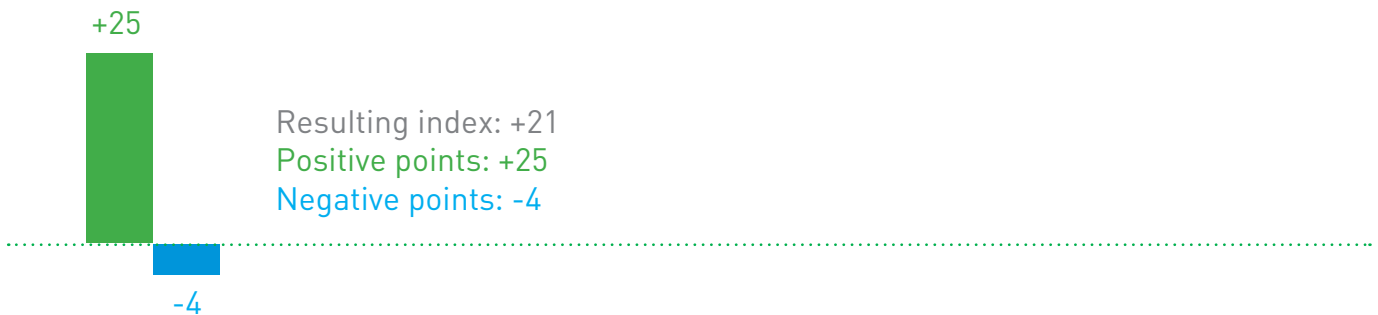
Forecast

It is most likely that by the 20th anniversary of the signing of the Union State Treaty, on April 2, the public will be presented with some specific results of the 20 years of integration – at least in the form of contemporary-sounding media materials.

Furthermore, on the occasion of the jubilee, solemn events should be organized with the participation of the Parliament and the Supreme State Council of the Union State, along with working meetings of the leaderships that should precede preparatory efforts.

No practical resolution of disputes should be expected during this period, but some progress in the direction could be made at meetings of the main negotiating groups, as well as relatively new participants – business unions and public associations.

Relationship with the European Union



Trends

1. Intensity of contacts at a high political level is increasing.
2. The scope of cooperation with European financial institutions is growing, joint project activities are expanding.
3. At the same time, the challenge of transiting from volume to value is increasingly visible in the relationship: growing contacts and joint projects are still not transformed into real progress at the ultimate phase of negotiations over politically significant agreements: visa facilitation and partnership priorities.

Developments and processes

For the Belarus-EU framework, the new year began with two visits of foreign ministers of the EU member-states to Minsk. On 14 January, Minister of Foreign Affairs and Trade Péter Szijjártó paid an official visit to Belarus, having a busy schedule of meetings with the Belarusian leadership. The Hungarian minister held talks with Aliaksandr Lukashenka, Siarhiej Rumas, Uladzimir Makiej and the ministers of economy, sports and tourism, agriculture and food. In the course of the visit, an agreement was signed to facilitate the implementation and mutual protection of investments, which had taken about a decade to draft and approve. Furthermore, the heads of foreign ministries signed a memorandum of understanding and a programme of cooperation between the Foreign Ministries for the year 2019. One of the focuses in the talks between Szijjártó and Lukashenka was on the opportunities for cooperation, given the membership of the countries in the EU and the EEU, as well as the potential of Chinese infrastructure projects.

On the following day – January 15 – Austrian Federal Minister for Europe, Integration and Foreign Affairs Karin Kneissl visited Belarus to officially open a new office of the Austrian Embassy in Minsk. That was another landmark for the bilateral relationship that has been going through a sort of renaissance in recent years. It is expected that the trend might be strengthened this year due to an exchange of visits at the top level.

Notably, during the meetings with both the Hungarian and Austrian officials, the similarity of the positions of Minsk, Budapest, and Vienna with regard to the political situation in the Eurasian space was emphasized: the overall focus on building bridges and bringing down confrontation.

Prime Minister of Belarus Siarhiej Rumas paid a working visit to Italy on 6-8 February. He had talks with Luigi Di Maio, Deputy Prime Minister of Italy and Minister of Economic Development, Labour and Social Policies, whereas Minister of Finance of Belarus Maksim

Jermalovič met with Giovanni Tria, Minister of Economy and Finance. That was the first visit of this level in approximately ten years. The Belarusian delegation focused on the opportunities to attract significant amounts of Italian investments, in particular in its free economic zones and the China-Belarus Industrial Park Great Stone.

The relationship with Poland had a special place during the period under review. Uladzimir Čušeŭ was appointed new ambassador to that country. When making that appointment, Lukashenka formulated a few policy points concerning the future of the Belarus-Poland relations.

He said that, in Minsk's opinion, all of the pending bilateral issues are solvable. At the same time, the state leader expects that the coming years will become decisive for the longer-term outlook for the bilateral relationship. However, Lukashenko stressed that "it does not mean that if they rattle the saber, we will calmly watch them do it, including given our joint Belarusian-Russian force in this area."¹ He therefore once again put into words his own vision of the possibilities and limitations for Minsk's maneuvering within its foreign and security policy frameworks.

The visit of a Belarusian delegation led by Michail Miasnikovič to Poland became the landmark event of the monitored period. It clearly stands out because of its level and number of meetings that were organized in Warsaw and Białystok. In particular, the Chairman of the Council of the Republic had talks with all of the key figures in the Polish leadership: the president, prime minister, chairmen of both chambers of the Parliament, minister of foreign affairs, minister of entrepreneurship and technology. He also met with the leadership of the National Economic Chamber and the Polish Academy of Sciences. A meeting with representatives of the Belarusian minority group in Poland was held in Białystok.

The most important point of the visit was the signing of a social security agreement between the two countries. It regulates the matters of pension coverage and length of service, disability payments, temporary disability and unemployment. Given the large number of Belarusian citizens living and working in Poland, the document is of particular relevance.

The visit enjoyed emphatically positive coverage in the Belarusian state media, which actively quoted Miasnikovič. Special focus was placed on the need to establish consistent contacts at the top and high political levels. Economically, emphasis was put on investment cooperation, energy, transport and logistics, including in the context of China's Belt and Road Initiative. Warsaw once again voiced its support for the development of relationships between Belarus and the EU. In particular, Polish Foreign Minister Jacek Czaputowicz suggested organizing a visit of foreign ministers of the Visegrad Group and the Eastern Partnership. At the same time, the following challenges were discussed as well: the situation with the Polish minority community in Belarus, the study of the Polish language in Belarusian schools, as well as the prospects for the creation of "Fort Trump."

The visit of European Commissioner for Budget and Human Resources Günther Oettinger to Minsk became another milestone of February. During the talks with the European commissioner, Lukashenka reiterated that the contradictions with the EU were not insurmountable. He also noted his satisfaction with the significant increase in the financing of joint projects by the European Union and voiced his hope that the trend would continue.

At his meeting with Oettinger, Rumas raised the issue of a basic agreement, or rather the absence thereof: "I would like to hear what is required in order to conclude a basic agreement between Belarus and the EU as soon as possible, because such legal vacuum between the neighbors is naturally counterproductive for both parties."² Finance Minister Jermalovič, for his part, addressed support for the projects of Belarus's integration into international capital markets and the process of Belarus's accession to the WTO as priorities for cooperation in finance.

1 New staff appointments, http://president.gov.by/ru/news_ru/view/prinjatje-kadrovyx-reshenij-20463/

2 Rumas: absence of a base agreement between Belarus and the EU is counterproductive for both parties, <https://www.belta.by/politics/view/rumas-otsutstvje-bazovogo-soglashenija-mezhdu-belarusiju-i-es-kontrproduktivno-dlja-obeih-storon-337011-2019/>

Negative developments include the backlash of the Belarusian Foreign Ministry to the decision of the Geneva Meeting of the Parties to the Espoo Convention with respect to the Belarusian Nuclear Power Plant. In its statement, the press service of the Foreign Ministry emphasizes the anti-Belarusian position of the entire EU. Furthermore, the decision of the EU to extend the arms embargo and restrictions on four entities in Belarus expectedly caused a negative reaction in Minsk.

As of the moment of the publication of this Minsk Barometer issue, Belstat³ had released data on commodity trade between Belarus and the EU for the year 2018.

Two-way trade between Belarus and the countries of the European Union amounted to USD 17.332 billion in January-December 2018 (up by 19.6% year-on-year). Belarusian export reached USD 10.184 billion, which represents an increase by 29.9% from the twelve months of 2017. Import from the EU was at USD 7.148 billion (up by 7.4%). Belarus's surplus in trade with the EU countries amounted USD 3.036 billion.

Notably, in the light of the 30-30-30 economic security formula voiced by Lukashenka, the share of the EU in Belarus's export supplies increased to 30.2%.⁴

Special attention should be paid to the statistics for Belarusian food supplies to Europe. Despite Minsk's increased emphasis on problems associated with the impenetrability of the European agricultural market, food export to the EU in 2018 increased by 66.6% to USD 233.5 million.⁵ The largest importers were Lithuania (USD 93.6 million), Poland (USD 41.3 million) and Germany (USD 28 million).

Forecast

Minsk has increasingly and more emphatically been shifting its focus towards the importance of making progress in the negotiations on partnership priorities and the visa facilitation agreement at all diplomatic and political levels. At the same time, Belarus declares its readiness to make compromises on the most difficult issues. However, even in this case, one should hardly expect fast-paced resolution of all disputable issues, because compromises, even if they are reached, cannot envisage unilateral concessions and acceptance of all of the conditions imposed by Brussels and the EU member-states. This means that rhetorical tensions will be mounting around these issues.

At the same time, the trend towards further increase in the level and number of contacts will continue to grow stronger. In the near future, we can expect top-level visits as well.

³ Commodity trade balance of the Republic of Belarus, http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/vneshnyaya-torgovlya_2/operativnye-dannye_5/balans-vneshnei-torgovli-tovarami-respubliki-belarus/

⁴ Belarus's export up by 15.3% in 2018 to USD 33.7 billion, <https://www.belta.by/economics/view/beloruskij-eksport-v-2018-godu-vyros-na-153-do-337-mlrd-337240-2019/>

⁵ Belarus is in talks over certification of poultry farms for supplies to EU, <https://www.belta.by/economics/view/belarus-vedet-peregovory-po-sertifikatsii-ptitsefabrik-dlja-postavok-v-es-335748-2019/>

Relationship with China

+14



Resulting index: +14

Positive points: +14

Negative points: 0

Trends

1. Scheduled implementation of bilateral activities and projects is ongoing.
2. Bilateral two-way trade continues to expand, but so does the deficit for Belarus
3. CBIP Great Stone is progressing in dealing with infrastructure construction financing and search for new markets.

Developments and processes

In January, activities celebrating the Year of Education of Belarus in China kicked off. The Belarusian delegation was led by Minister of Education Ihar Karpienka, who took part in the opening ceremony of the Year of Education and the Center for Belarusian Studies at Dalian Polytechnic University.

The Minister of Finance of Belarus Maxim Jermalovič also visited China during the period under review. He met with his Chinese counterparts and concerned banking officials to address the issue of Belarusian Panda bonds and engagement between the financial institutions of the two countries. When in China, Industry Minister Paviel Uciupin had talks with Weichai Power and Sinomach, partners in the China-Belarus Industrial Park.

According to official statistics, in 2018, export of Belarusian food to China increased 4.4 times from the level of 2017¹ to reach USD 82.4 million; dairy products showed significant progress. Overall, export deliveries to China went up by almost 33% year-on-year to USD 482.4 million in 2018, and the total turnover expanded by 17%; however, the deficit (USD 2.67 billion²) also increased, by 11% – the second largest trade deficit after Russia (USD 9.67 billion). At the end of February, the Council of Ministers introduced a KPI for building up commodity export supplies in 2019 for each country. For China, growth should reach at least 10%³ from 2018. The target looks quite realistic if the country manages to keep expanding its export mix and grow volumes of deliveries.

1 Report by BelTA news service dated 7 February 2019. <https://www.belta.by/economics/view/eksport-belorusko-go-prodovolstvija-v-kitaj-v-2018-godu-vyros-v-44-raza-335744-2019/>

2 Foreign trade statistics of the Republic of Belarus broken down by countries in 2018. <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/statistika-vneshneekonomicheskoy-deyatelnosti/vneshnyaya-tor-govlya-tovarami/operativnye-dannye/dannye-o-vneshney-torgovle-respubliki-belarus-po-otdelnym-stranam/>

3 Resolution of the Council of Ministers of the Republic of Belarus No. 110 dated February 21, 2019 "On the identification of the key performance indicator for export of commodities in 2019" <http://pravo.by/document/?guid=12551&p0=C21900110&p1=1&p5=0>

CBIP Great Stone

During the monitored period, two more residents were added to the CBIP:

- Wiseasy International (Bel) LLC (Android-based electronic terminals, more than USD 2 million in initial investments);
- Xinlian International Technology Company (storage and processing center for large data volumes, smart infrastructure solutions, about USD 2.5 million in investments).

In January and February, the CBIP took two more steps to address the pending issues of construction financing and market entry.

On January 8, the CBIP acquired the status of the first (out of two possible) territorial special economic zone in Belarus within the EEU in accordance with Presidential Decree No. 490 of December 22, 2018 "On Customs Regulation." The residents of the Park will enjoy a number of new logistics and customs preferences, along with the possibility of cluster work – maximum benefits you can have in Belarus and within the EEU.

On February 6, the CBIP and the Eurasian Development Bank signed a memorandum of cooperation, which in practice means that the bank can invest in the construction of the Park's infrastructure.

Other Projects

In February, the key shareholder of Amkodor, Aliaksandr Šakucin, decided against a buyer's loan from China Eximbank (85% of the project cost, USD 200 million for 20 years at an annual rate of 2%), which was taken against the government's security for a joint project with CITIC Construction to manufacture special-purpose machines. This is the first time that a Chinese loan was turned down, most likely in favor of European credit resources due to high cost and the level of related technologies.

In February, UnionPay in partnership with Belgazprombank started issuing bank cards of the Chinese UnionPay payment system. The parties also agreed to increase the rate of coverage with terminals that accept such cards in Belarus to 60% in 2019, which will naturally have a positive effect on the amounts of money spent by Chinese tourists in Belarus.

Forecast

In March and April, preparations will be underway for Lukashenka's visit to the Belt and Road Forum for International Cooperation, which will be held in Beijing this April; therefore, one can expect all of the scheduled events and activities to be implemented. This includes the signing of a Belarusian-Chinese agreement on the mutual recognition of the status of an authorized economic operator, finalization of agreements on the first Belarusian Panda bond issue, etc. Belarus will be working to popularize the CBIP within the framework of preparatory activities for the Belt and Road forum to be held at the Park in early July. This effort will cover both the Beijing summit and the current multilateral platforms.

Relationship with the U.S.

+9



-1

Resulting index: +8
Positive points: +9
Negative points: -1

Trends

1. Minsk is eliminating the final formal obstacles to the restoration of full diplomatic relations.
2. Thanks to the previous efforts of Minsk to convey its position (including via informal channels), Washington is gradually becoming increasingly interested in Belarus and its regional policy.

Developments and processes

The most significant development in the Belarus-U.S. relationship during the period under review was Minsk's lifting the restriction on the number of U.S. diplomats in the country, which effectively removed the barrier to the restoration of diplomatic relations with the United States at the level of ambassadors. It is especially symbolic that the news was voiced against the backdrop of arduous negotiations with the Russian leadership on compensation for the consequences of the tax maneuver.

In the wake of the diplomatic crisis of 2008, the staff of the U.S. Embassy in Minsk was reduced to five persons, and the mission has since then been headed by a charge d'affaires. In recent years, the Belarusian authorities have expanded the number of diplomats by only a few persons, which made it possible to resume the issuance of U.S. visas in Minsk; however, the move was not enough for the diplomatic mission to resume its full operation, led by an ambassador. In fact, Belarus and the U.S. decided to restore full diplomatic relations some time ago – the issue was probably addressed during the recent meeting between President Lukashenka and Assistant Secretary of State Wess Mitchell. However, there was still a technical barrier in the form of a limitation on the number of embassy employees. Now that the obstacle has been removed, the process of normalization of relations, apparently, will be accelerated.

On January 10, the American news publication Foreign Policy¹ reported that Minsk had lifted the limitations on the number of U.S. diplomats in Minsk. The magazine quotes an unnamed U.S. official, who refers to it as "a big step ... [and] the beginning of a thaw." The publication also informed about Uladzimir Makiej's phone conversation with Assistant Secretary of State for Europe and Eurasia Wess Mitchell. Later, the report was confirmed by the press service of the Belarusian Foreign Ministry.²

On 14 January, when asked by BelaPAN news service to comment on reports that Belarus had lifted limitations on the number of American diplomats in the country, Makiej replied:

1 A Diplomatic Breakthrough for Washington in Europe's Last Dictatorship - <https://foreignpolicy.com/2019/01/10/diplomatic-breakthrough-for-washington-in-europes-last-dictatorship-belarus-warming-relations-with-west-united-states-lukashenko-putin-russia-dispute-diplomacy-state-department-eastern-europe/>

2 http://mfa.gov.by/press/news_mfa/aecbc228266518a4.html

“We are negotiating the entire range of issues of concern, including those related to the expansion of the diplomatic presence in both countries [...] We understand the role of the United States in the world, we understand that it is one of the leading powers today. As part of the diversification of our foreign policy and foreign economic relations, we are interested in fostering normal cooperation with the United States.” According to him, the current situation in the world cannot be compared with that a decade ago, when the U.S. imposed sanctions against Belarus, and the Belarusian side was forced to retaliate.³

The interest in improving the Belarus-U.S. relationship is a mutual interest. Last year’s policy statements by Wess Mitchell indicate a change in the approach of the U.S. Administration to Eastern Europe and, in particular, to the growing significance of Belarus for the U.S. foreign policy.

On 31 January, Deputy Foreign Minister of Belarus Alieh Kraŭčanka visited Washington, where, *inter alia*, he spoke at a conference on Belarus at the Atlantic Council. During the discussion, he noted some headway in Belarus’s relationship with the United States, but added: “we must not forget the very low level, where this improvement began.” According to him, Belarus is willing to improve its relations with the EU and the U.S. When asked about the possibility of restoring full diplomatic relations with Washington, the deputy minister noted that the return of ambassadors might take “months, if not years.” Against the backdrop of regular ambitious statements by Belarusian diplomats about the relatively speedy signing of the visa agreement with the EU, this forecast offered by Kraŭčanka looks extremely pessimistic.

Apart from attending the conference, Alieh Kraŭčanka met with U.S. Assistant Secretary of State for European and Eurasian Affairs Wess Mitchell, U.S. Deputy Assistant Secretary of State George Kent, U.S. Special Assistant to the President and Senior Director for European and Russian Affairs of the U.S. National Security Council Fiona Hill.

Notably, during the visit Kraŭčanka also met with Congressman Christopher Smith, the author of the Belarus Democracy and Human Rights Act, which originally imposed sanctions on Belarus back in 2004. The talks attest to the intensification of communications between Minsk and Washington, which could potentially lead to the full normalization of the relations. But this process still appears to be very slow.

On February 14, U.S. Charge d’Affaires in Belarus Jenifer H. Moore met with Kraŭčanka. According to the Embassy, the meeting focused on the U.S.-Belarus bilateral relations and prospects for their further development.⁴

On 17-19 February, a group of employees of the U.S. Senate Armed Forces Commission visited Minsk; they met with Belarusian officials and independent experts.

In early February, the Belarusian Foreign Ministry published the “Annual Review of Foreign Policy of the Republic of Belarus” for the year 2018, the Belarus-U.S. relations being one of its focuses.

The document noted further progressive development of the dialogue with the U.S. and expanded trade, economic, and humanitarian cooperation, as well as collaboration between law enforcement agencies and in international security. The visit of a delegation of the U.S. Department of State to Belarus, led by Assistant Secretary of State Wess Mitchell was highlighted.⁵

In February, foreign trade data became available for the year 2018, including trade with the United States. Two-way trade in 2018 amounted to USD 711.7 million, an increase by 17.7% year-on-year. Belarusian exports amounted to USD 274.4 million (up by 21.7%), and imports

³ <https://belapan.by/archive/2019/01/14/988332/>

⁴ <https://by.usembassy.gov/be/charge-daffaires-jenifer-moore-meets-with-deputy-minister-of-foreign-affairs-of-belarus-o-kravchenko/>

⁵ <http://mfa.gov.by/publication/reports/b7fe6b330b96c9b7.html>

reached USD 437.2 million (an increase of 15.3%). The deficit for Belarus still remains – it amounted to USD 162.8 million last year.⁶

Negative developments include a series of negative statements by Belarusian officials related to the withdrawal of the U.S. from the INF Treaty. The press service of the Belarusian Foreign Ministry said: “the withdrawal from the Treaty may lead to the collapse of the system of international agreements in international security, disarmament and arms control.”⁷ President Lukashenka referred to that move by the U.S. as a disaster, blamed Washington for the failure of the treaty, and promised to think about reciprocal measures together with Russia.⁸

Forecast

Since both Minsk and Washington are interested in continuing normalizing their relations, the negative backdrop and rhetoric related to the U.S.’ withdrawal from the INF Treaty are unable to stop the ongoing improvement. The removal of Minsk’s limitations on the number of diplomatic staff at the U.S. Embassy has lifted the last formal barrier to the exchange of ambassadors and the restoration of full diplomatic relations. This process will be accelerated, but it is unlikely to be completed this year. As soon as Wess Mitchell resigns from his post of Assistant Secretary of State, Belarus will have to resume its efforts to establish personal contacts with the leadership of the Department of State and to get its message across, but Minsk has already accumulated considerable experience doing that. Belarusian diplomacy will also continue to work on lifting the remaining sanctions.

⁶ <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/statistika-vneshneekonomicheskoy-deyatelnosti/vneshnyaya-torgovlya-tovarami/operativnyye-dannye/dannye-o-vneshney-torgovle-respubliki-belarus-po-otdelnym-stranam/>

⁷ http://mfa.gov.by/press/news_mfa/d43da8d5758a18ae.html

⁸ <https://naviny.by/article/20190222/1550834786-lukashenko-vyhod-ssha-iz-drsm-deto-katastrofa-osobenno-dlya-nas>

Relationship with Ukraine



Developments and processes

Politics

Despite the New Year festivities, cooperation with Belarus remained a highly relevant issue in the Ukrainian political and media framework. The reason was the frequent meetings between Aliaksandr Lukashenka and Vladimir Putin. Any Minsk-Moscow contacts are perceived in Kyiv with suspicion. The first serious event in 2019 was the visit to Minsk of former member of the Contact Group on Donbass Viktor Medvedchuk, who is referred to as a pro-Russian politician in Ukraine. Moreover, President Petro Poroshenko explicitly stated that he was aware that Medvedchuk “represents Vladimir Putin” at the Minsk talks of the Trilateral Contact Group. Lukashenka’s meeting with that politician¹ and his statement about the war in Donbass – “it’s high time we put an end to this outrage” – were perceived in Kyiv rather as a negative signal. On the other hand, such a conversation could provide a more complete picture of the political processes in Ukraine and create a framework for individual policy for the next 12-14 months.

The other January developments were positive and attested to the continuation of the implementation of previous agreements, as well as the willingness of the two countries’ elites to foster cooperation.

On January 15-17, the 20th meeting of the demarcation commission took place², where the parties approved the action plan for 2019.

On January 18, when commenting on Russia’s accusations of sales of fuel to the Armed Forces of Ukraine, Lukashenka said that Russian companies were doing exactly the same thing, whereas any accusations against Minsk were attempts to drive Belarusian suppliers out of the market.³ At the same time, he managed to relieve the tension that emerged after

1 <https://www.belta.by/photonews/view/aleksandr-lukashenko-vstretilsja-s-ukrainskim-politicheskim-i-gosdejatelem-viktorom-medvedchukom-15018/>

2 <https://interfax.com.ua/news/general/562057.html>

3 <https://www.belta.by/president/view/lukashenko-otvetil-na-upreki-v-tom-chto-belarus-zapravljaet-ukrainskietanki-333226-2019/>

the previous statement about arms smuggling from the Ukrainian territory, saying that it was supplied, *inter alia*, through Russia.

On January 24, the Ukrainian television channel UA:TV officially began operations in Belarusian cable networks.

On January 29, Yevhen Marchuk, the new Ukrainian representative in the Trilateral Contact Group met with Lukashenka.⁴ Issues addressed at the meeting went beyond a regular discussion of the work of the negotiating platform on Donbass.

February was more eventful, but processes in Ukraine were already governed by the logic of the election campaign. A part of political groups predictably tried to leverage the idea of “danger coming from Belarus” for their political campaigns. In this logic, reports about Belarus’s decision to strengthen its border protection were perceived as announced plans to militarize the border territories and as preconditions for a military threat to Ukraine originating from Belarus.

During the same period, a few politicians at once⁵ (including people’s deputies of Ukraine) shared with the media their concerns that the Cabinet of Ministers “financed” Belavtodor by granting it contracts for maintenance of Ukrainian roads. As early as February 8, a deputy’s appeal was sent to the Ukrainian government, signed by 19 people’s deputies, including representatives of the ruling coalition, which noted⁶ that the process had been initiated due to the “pro-Kremlin policy of Belarus.”

Two weeks later, on February 22, the asphalt-concrete plant of the Construction and Erection Trust No. 8 – which had been mentioned in the latter signed by the people’s deputies – was attacked in the Mykolaiv Region.⁷ Some of the equipment was burned down. As a result, the Embassy of Belarus filed an official protest with the Cabinet of Ministers of Ukraine, citing the increasing frequency of unfair business practices.⁸

Nevertheless, when it comes to political contacts between Belarus and Ukraine, as well as the accompanying media background, February turned out to be a positive month.

On February 25, the fifth meeting of the Belarus-Ukraine high-level working group on mutual trade was held in Lviv⁹, where the implementation of joint projects and preparation of the second forum of the regions were discussed. First Deputy Foreign Minister of Belarus Andrej Jeŭdačenka said that Ukraine “is moving in the right direction.”¹⁰ This quote was hailed by the media and the public¹¹, although at the same time it provoked a sharp response from a number of Russian media outlets.

4 <https://www.belta.by/president/view/lukashenko-vstretilsja-s-predstavitelem-ukrainy-v-kontaktnej-gruppe-marchukom-334471-2019/>

5 https://www.facebook.com/oleh.tyahnibok/photos/a.795680543785995/2157105567643479/?type=3&__xts__%5B0%5D=68.ARAqhijmgXmziQBvMucwXLMixjpSLUgUtGjmlIrm15kcPFvlp2vw4PH_qx47l-WRFmNOaKztwnGMRzpTXbFT5eNdqrI9NWANIISxykFAI4umuvHL6unV0mjCuAu9LyPm_wwln5e0idYY-Bu90c_YpSWZcslv67VivQc7vk0o9Y6kvGlxc4IA57bnFR-PmCtfU3gawEXAnQE3G42b4U0wj_db0Ep4z13fUBqXZ0Ihw15Y-VqQ6LLMull7D6H4HQFb8yJG0kCA27XTb10ruJo7X0nwCHneXvOPoYx_d4uBZEeNtaip0qqLWVb1qRGwdbYVfXlJYx-vFxZJO3MF3jR9kuMntt0A&__tn__=-R

6 https://censor.net.ua/ua/news/3110744/deputaty_bilshosti_fraktsiyi_zvernulysya_do_groyismana_z_vymogoyu_prypynyty_finansuvaty_belavtodoru

7 <https://mk.npu.gov.ua/news/novini/na-mikolajivshhini-policziya-rozshukuje-zlovmisnikiv-yaki-pobili-oxoronczyata-vchinili-pidpal-na-asfaltnomu-zavodi/>

8 <http://ukraine.mfa.gov.by/ru/embassy/news/fff764dfe99cbd14.html>

9 <http://ukraine.mfa.gov.by/ru/embassy/news/b43e14676977dc0c.html>

10 <https://loda.gov.ua/news?id=43213%20&fbclid=IwAR1Zxy-8-9kzD8ixiDxOFyOEtTw-ANwdHdb-3nvnYd4huQvR-zYQmbXW0w44>

11 <http://www.dsnews.ua/politics/belarus-priznala-chto-ukraina-idet-v-vernomp-napraavlennii-26022019151100>

An interesting case associated with the coverage of coal supplies to Ukraine from Belarus deserves a special mention. As soon as reports about the sale of coal were confirmed, a number of Ukrainian media outlets claimed that Belarus acted as an intermediary for suppliers from occupied Donbass.¹² Such a reporting style, amid the overall negative background of January, could have led to another wave of political accusations against official Minsk and prompted Ukrainian politicians to demand that bilateral cooperation be scaled down. However, the rapid response of the Belarusian media, namely BelaPAN¹³, which detailed the scheme of supply and disclosed the counterparties, virtually cancelled the negative background and shifted the focus towards the need to analyze the activities of Ukrainian companies.¹⁴ As a result, Ukrainian officials, specifically Energy Minister Ihor Nasalyk¹⁵, were forced to support Belarus, saying that the coal in question could not have originated from the LPR or the DPR.

That case, along with Lukashenka's statements regarding diesel fuel supplied to the Armed Forces of Ukraine, can serve as a good example of competent counteraction to attacks in the Ukrainian media field. A quick, prompt and exhaustive answer, which, on the one hand, shifts the focus of media coverage, and, on the other hand, demonstrates its own logic of conduct without excessive politicization, makes it possible to bring down the negative tension.

Economy

Belarus contrived to significantly strengthen its position in the Ukrainian market. At the same time, the nature of this cooperation is being modified: fuel sales, which were the main source of income and the main area for the engagement between the two countries, are falling in volume terms. In 2018, supplies of Belarusian-made oil products to the Ukrainian market were slashed.¹⁶ Given the increase in prices, the reduction did not have a significant negative impact on the amount of income in this product group, but Belarusian suppliers are arguably gradually losing their key role in the Ukrainian market.

Anyway, the reduction of the "oil component" can be perceived as a reflection of the changing nature of cooperation between the two countries. In 2018, Belarusian companies gained a significant market share in several segments:

Automobile transport:

- MAZ retained its first place in the Ukrainian market in terms of truck sales, with a share of about 18.89%.¹⁷
- Bogdan Corporation, which produces military trucks on the chassis of Minsk Automobile Plant, has also been showing steady growth. In 2018, a government order for 200 vehicles was completed¹⁸, and on January 10, a contract was announced for the year 2019, envisaging a significant increase in the volume of purchases.¹⁹ MAZ chassis may thus become one of the main chassis for the Armed Forces of Ukraine, which guarantees orders for many years to come.

12 <https://www.rbc.ua/ukr/news/ukraina-poluchat-ugol-ordlo-cherez-belarus-1550739618.html>

13 <https://naviny.by/article/20190227/1551287818-na-lyuboy-voyne-delayut-dengi-kto-zarabatyvaet-na-postavkah-uglya-v>

14 <https://economics.unian.ua/energetics/10463502-zmi-z-yasuvali-hto-stojit-za-postavkami-rosiyskogo-vugillya-v-ukrajinu-cherez-bilorus.html>

15 <https://economics.unian.ua/energetics/10460295-importovane-z-bilorusi-vugillya-ne-vidobuvayetsya-na-okupovanih-teritoriyah-donbasu-nasalik.html>

16 <https://economics.unian.ua/energetics/10453641-bilorus-skorotila-postavki-naftoproduktiv-v-ukrajinu.html>

17 <http://www.autoconsulting.com.ua/article.php?sid=43113>

18 <http://www.autoconsulting.com.ua/article.php?sid=43104>

19 <http://www.autoconsulting.com.ua/article.php?sid=43127>

- In the passenger transport segment, Belarusian manufacturers managed to gain control of most of the market. According to trolleybus sales statistics, 32.27% of the market belongs to BKM. Another 22.9% of the market is controlled by Dnipro trolleybuses, assembled at Makarov Yuzhny Machine-Building Plant from Belarusian components.²⁰ The situation is similar in the segment of passenger buses. Out of the 259 vehicles sold in Ukraine, 177 were produced by Minsk Automobile Plant.²¹ Given that in 2019, Ukrainian cities will purchase at least 600 units of passenger transport, the outlook for this segment is still positive. Evidence of this can be seen in the contract signed in Mykolaiv for the supply of 23 buses in the first half of 2019.²²

Oil and gas production

- Belorusneft and its subsidiary Service Oil have become one of the key players in the market for hydrocarbon production. According to the statistics of public procurement, Belorusneft became one of the Top-10 contractors providing goods or services to state-owned companies – the total amount of contracts exceeded UAH 574 million (USD 21 million).²³ Belarusian drillers performed more than half of hydraulic fracturing operations for Ukrhazvydobuvannya in 2018 (57 out of 110). At the same time, the Ukrainian state-owned company emphasizes the role of Belarusian partners in increasing production in recent years.²⁴ In 2019, Belarusian specialists began delivering new types of services²⁵ at Ukrainian fields and signed a contract to expand their presence in the Ukrainian market.²⁶

- In addition to Ukrhazvydobuvannya, Belorusneft actively cooperates with DTEK Naftohaz controlled by the oligarch Rinat Akhmetov, drilling gas wells at new fields on a turnkey basis.²⁷

Logistics, transport and infrastructure

- In 2018, Belavia became one of the Top-3 international air carriers in Ukraine²⁸ with more than 16,000 flights (up by 10% from 2017).

- Preparatory work for the launch of a regular container train from Romania to Belarus²⁹ was completed. The organizers of the project are Belarusian, Slovenian and Ukrainian logistics companies.

- Finally, the figure voiced by Ukrainian MPs – UAH 1.5 billion – is the total amount of contracts for the maintenance of Ukrainian roads signed by Belavtodor in the past three years.³⁰ The UAH 700 million contract for the repair of the E-95 Kyiv-Odessa highway should be added to the grand total.

20 <https://traffic.od.ua/blogs/antonlyagushkin/1211135>

21 <https://traffic.od.ua/news/busua/1210926>

22 <https://traffic.od.ua/news/busua/1211961>

23 http://project.liga.net/projects/koroli_tendera/

24 <http://ugv.com.ua/uk/page/ukrgazvidobuvanna-otrimalo-dodatkovy-27-mlrd-m3-gazu-vid-300-operacij-z-grp>

25 <http://ugv.com.ua/uk/page/ukrgazvidobuvanna-vidnovilo-robotu-2-h-sverdlovin-z-bezdiucogo-fondu-slahom-vikorisanna-tehnologii-zaburuvanna-bicnih-stovburiv>

26 <http://www.nefterynok.info/uk/novini/ukrgazvidobuvannya--belorusneft-pdpishut-noviy-kontrakt>

27 <https://www.belorusneft.by/sitebeloil/ru/addUp/mediaCenter/newsDetail/rabota-v-ukraine/>

28 <https://economics.unian.ua/transport/10444506-v-ukrajini-zrostayut-aviaperevezennya-top-10-kompaniy-yak-litayut-v-krajinu.html>

29 <https://www.belta.by/economics/view/kontejnernyj-poezd-belarus-rumynija-planiruetsja-zapustit-v-mar-te-338207-2019/>

30 https://censor.net.ua/ua/news/3105855/svoboda_zaklykala_uryad_pereglyanuty_kontrakty_z_belavtodorom_na_remont_trasy_kyyivodesa

Antidumping investigations

In early 2019, an anti-dumping probe was completed into Belarusian supplies of table salt and filament lamps. For the former, the Ukrainian government decided against applying restrictive measures after Belarusian suppliers committed to increase prices for their Ukrainian partners. For the latter – electric lamps – the Interdepartmental Commission for International Trade will apply additional duties to all supplies to the Ukrainian market, because it considered the manufacturer's increase in selling price caps to be insufficient.³¹

Forecast

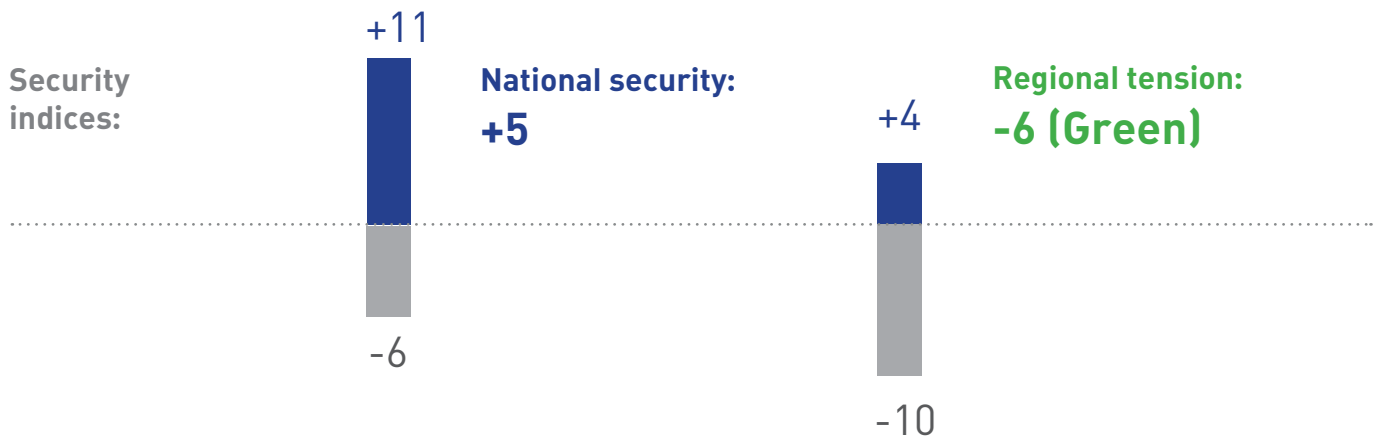
The beginning of the year 2019 showed significant progress in trade (based on the performance in 2018) achieved by Belarusian companies. However, the sharp market entry against the backdrop of excess politicization of Ukrainian society (ahead of the elections) makes opposition to Belarusian suppliers of goods and services with the use of administrative and political levers a lot likelier.

In politics, no significant positive progress will be coming – with the upcoming presidential and parliamentary election campaigns, the Ukrainian elites will be reluctant to pursue new long-term projects. The focus of Ukrainian politicians on short-term electoral purposes makes it very likely that challenges in the bilateral relations will be brought to the forefront in the intense race for higher ratings.

³¹ <http://me.gov.ua/News/Detail?lang=uk-UA&id=e2c6a529-12e2-4424-8878-f7f07e2c8603&title=MizhvidomchaKomisiiiaZMizhnarodnoiTorgivliObklalaAntidempingovimMitomImportKukhonnoiSoliTaLampochokZBilorusi>



Security Barometer: status of national and regional security



Trends

1. Given the ongoing deliberations on mobilization resources, checks of combat readiness, terms in re-equipment of the army, and cultivation of territorial defense, the Belarusian government is determined to rely on domestic resources, rather than involvement of external actors in addressing national security issues.
2. The military alliance with Russia continues to play an important role, but rather as a political factor. Moscow is providing assistance in the defense sector very grudgingly, and, in many respects because of this, Minsk stays away from the risky regional and global confrontation, in which Russia is heavily involved.
3. The Belarusian leadership is aware of the limits of its capabilities in terms of national security and, wherever possible, stays away from conflicts with external players.
4. The trend towards slow, yet steady militarization in the region continues.

1. National security

Overall state of the army

Defense Minister Andrej Raŭkoŭ told Belarus-1 TV channel on February 17 that the involuntary conscription regulations would be reconsidered with a view to promoting the “value orientation” of the new generation, bearing in mind the difficult demographic situation: the number of conscripts registered by military commissariats has halved over the past decade. Therefore, it is planned to reduce the number of draft deferments and provide substantial benefits to those who did military service. Raŭkoŭ stressed that those who were granted deferments “must obtain military occupational specialties in any case”, and mentioned the recently formed IT company as an instance.¹

On February 26, President Lukashenka held a meeting with the Security Council addressing the staffing of the army. It was officially recognized for the first time that “the recruitment target was not achieved in 2018.” The Ministry of Defense assumes that the shortage of conscripts will be experienced until 2025, especially with regard to the specialties that require good health, which particularly concerns the border and Interior Ministry troops and special operations forces. The participants in the meeting analyzed the measures previously mentioned by the minister of defense. It was strongly emphasized that there would be no sudden policy change.²

Equipment of the national army

When commenting on current priorities, Deputy Minister of Defense for Armament Siarhei Simanienka said that main efforts were channeled into developing the air force, air defense, missile troops, reconnaissance, radio-electronic warfare and signal troops and special operations forces.³ This fits the overall picture of the reporting period.

The supply of a 59N6M Protivnik-GE radar station to one of the air force/air defense units was announced in early February. The station is capable of detecting and locating strategic and tactical aviation targets, advanced surface-to-air missiles and small-sized low-speed aircraft at a distance of up to 450 km.⁴

Nine Cayman armored vehicles of domestic manufacture were delivered to the 103rd airborne brigade on February 15. The Caymans are almost entirely assembled from Belarusian components. The 103rd brigade was the first on the list, being part of the CSTO Collective Rapid Reaction Force. The brigade will soon receive more Caymans equipped with machine-gun modules. Also, this year, Caymans will be supplied to the 38th air assault brigade.⁵

On February 25, Belarus handed over four more MiG 29 jets to Serbia, which somewhat weakened the national air force. This was probably done in anticipation of new aircraft from Russia in the near future.

Meeting on army drones. A meeting focusing on the development of unmanned aircraft systems for the Belarusian army chaired by Chief of General Staff Alieh Bielakonieŭ was held on January 28. Attending the meeting were representatives of the Ministry of Defense,

1 Minister of defense speaks about the possible changes in conscription regulations and benefits to those who did military service, 17 Feb 2019, TUT.BY <https://news.tut.by/society/626692.html>

2 Lukashenka: “Every man must be able to stand up for his country” 28 Feb, 2019 Issue No. 24 <https://vsr.mil.by/2019/02/28/aleksandr-lukashenkokazhdj-muzhchina-dolzhen-umet-postoyat-za-svoyu-stranu/>

3 Major-General Simanienka: “We can be proud of many things” ,February 5, 2019, Issue No. 14 <https://vsr.mil.by/2019/02/05/general-major-sergej-simonenko-nam-est-chem-gorditsya/>

4 New look of the Protivnik 5 Feb, 2019 Issue No. 14 <https://vsr.mil.by/2019/02/05/novj-oblik-protivnika/>

5 To tame the “Cayman” 16 Feb, 2019 Issue No. 19 <https://vsr.mil.by/2019/02/16/priruchit-kajmana/>

General Staff and State Military-Industrial Committee.⁶ Earlier, on January 23, Bielakonieŭ visited the 927th training and UAV application center.⁷ This type of weaponry is among top priorities. Speaking about arms procurement in 2018, Deputy Minister of Defense for Armament Simanienka mentioned the Moskit, Supercam 100, Supercam 350 and Busel 10 drones.⁸ An experimental prototype of the Grach multipurpose multi-rotor UAV with various types of mounted implements was presented in February.⁹

State Military-Industrial Committee Chairman Raman Haloŭčanka spoke about the Polonaise-M multiple rocket launchers, Groza-R and Groza-S anti-drone systems, Berserk-type robotic complexes and AI-controlled UAVs. Currently, the Military-Industrial Committee prioritizes the creation of strike unmanned aircraft systems and small-sized high-precision air weapons.¹⁰

Army training

A comprehensive three-week combat and mobilization readiness check of the armed forces began on January 29. About 1,400 persons were called up from the reserve. State organizations provided 20 vehicles. As a comparison, about 650 persons were called up last autumn and about 2,000 in the spring of 2018. The program included sudden redeployment of military units (most often battalions) over long distances of up to 300 km, live firing and tactical exercises with motorized infantry, air force, artillery and tanks. Equipment was removed from storage back into operation, and several units were reinforced with reservists. For example, more than 200 personnel were transferred to the 51st artillery brigade, which switched to the red alert mode. A heavy howitzer battalion was selectively expanded to the wartime dimensions.¹¹

Territorial defense. On February 20, the Asipovičy-based 51st artillery brigade hosted the annual military security training session for the heads of the regional and Minsk city executive committees under the supervision of Defense Minister Andrej Raŭkoŭ. They practiced the application of troops and firearms used by the army and territorial troops. Such training sessions have been held since 2016.¹²

Border protection

On February 4, President Lukashenka approved the border protection plan for 2019. "As experience shows, in some cases, customs officers can perform certain functions of border guards," he said, "taking into account the increased adverse factors associated with illegal migration, drug trafficking and smuggling (especially of weapons), the State Border Committee has been tasked to increase personnel to the required number." Lukashenka also specified what particularly should have been strengthened. "As we have agreed, we should reinstate and reinforce the maneuver groups [...] capable of moving in no time to the areas where the enemy might advance, if the situation escalates there," he said.¹³

6 UAV development outlook Jan 29, 2019 Issue No.11 <https://vsr.mil.by/2019/01/29/perspektivy-razvitiya-bak/>

7 Keeping up with the times January 24, 2019, Issue No.9 <https://vsr.mil.by/2019/01/24/v-nogu-so-vremenem-17/>

8 Major General Simanienka: "We can be proud of many things" February 5, 2019, Issue No. 14 <https://vsr.mil.by/2019/02/05/general-major-sergej-simonenko-nam-est-chem-gorditsya/>

9 One billion is not the limit 9 Feb, 2019, Issue No.16 <https://vsr.mil.by/2019/02/09/milliard-ne-predel/>

10 Holding the line, SB Belarus Today <https://www.sb.by/articles/v-boevom-stroyu.html>

11 As the march approaches, 5 Feb, 2019, Issue No.14 <https://vsr.mil.by/2019/02/05/v-preddverii-marsha/>

12 Territorial defense of the Republic of Belarus: Time check, 21 Feb, 2019 Checked following the event, Issue No. 21 <https://vsr.mil.by/2019/02/21/territorialnaya-oborona-respubliki-belarus-sverka-chasov/>

13 Approval of the decision on state border protection in 2019, February 4, 2019 http://president.gov.by/ru/news_ru/view/utverzhdienie-reshenija-na-oxranu-gosgranitsy-organami-pogranichnoj-sluzhby-v-2019-godu-20413/

Integration of the border guards and the army has been enhancing in recent years. In the past academic year, special operations forces, particularly the 103rd airborne brigade, conducted a joint tactical border protection exercise with units of the State Border Committee and a special tactical exercise on the protection of critical facilities with law enforcement agencies.¹⁴

2. Regional Security

Overall situation in the region

On February 5, the State Security Department and the military intelligence service of Lithuania published the national threat assessment report for the next two years. As in 2018, the situation in Belarus and the role of its government were mentioned among the threats alongside Russia's policy. According to Lithuania, "Minsk is incapable of implementing fully independent policy because of financial dependence on Russia, unresolved bilateral issues and lack of economic reforms in the public sector." Furthermore, Lithuania reiterates the accusation that the Belarusian-Russian regular West (Zapad) exercises are aimed at rehearsing warfare against NATO. Furthermore, Lithuania points to the significantly increased number of joint exercises of the Russian airborne troops and special operations forces of Belarus in recent years. "The gradually deepening military integration with Russia reduces Belarus's ability to implement independent defense and security policy," reads the report.¹⁵

At the same time, some neighboring countries welcome Minsk's commitment to stay neutral. Minister of Defense of Ukraine Stepan Poltorak told reporters on January 30 that he considered Belarus a friendly country, and that Belarusians "would never join Russia's aggression against Ukraine." He also advocated stronger ties with Belarus, including through joint military exercises.¹⁶

On February 18, NATO Baltic Air Policing that safeguards security of the Baltic States' airspace reported 15 incidents that involved Russian aircraft since the beginning of this year.¹⁷ In late February, Sweden also informed about two such incidents with Russian air force.¹⁸

Military integration. On January 10, President of Ukraine Petro Poroshenko said that the Ukrainian army would be restructured as soon as 2020 to meet NATO standards.¹⁹ On February 14, the defense ministers of Estonia, Latvia and Denmark signed the memorandum of understanding on the NATO Multinational Division North headquarters. It will be fully

14 Airborne troops on the cutting edge, 12 Feb, 2019 Issue No. 17 <https://vsr.mil.by/2019/02/12/v-avangarde-oficery-desantniki/>

15 Lithuanian Intelligence: Russia is consistently increasing its military capacity in Kaliningrad, ru.DELFI.lt, February 5, 2019 <https://ru.delfi.lt/news/politics/razvedka-litvy-rossiya-posledovatelno-povyshaet-voenno-moschnosti-v-kaliningrade.d?id=80283341>

16 Minister of Defense of Ukraine said whether he sees a threat in Belarus, 30 Jan 2019 TUT.BY <https://news.tut.by/economics/624572.html?crnd=53365>

17 Myśliwce NATO startowały do rozpoznania rosyjskich samolotów 18.02.2019 <https://polskieradio24.pl/5/1223/Artykul/2265090,Myśliwce-NATO-startowały-do-rozpoznania-rosyjskich-samolotow>

18 Rysk ambassadör kallas upp efter flygincident, Aftonbladet, 24.02.2019, <https://www.aftonbladet.se/nyheter/a/qnq1jo/rysk-ambassador-kallas-upp-efter-flygincident>

19 Ukraine's army to be able to act under NATO standards in 2020, Poroshenko says, 10 January 2019, <https://www.unian.info/politics/10404696-ukraine-s-army-to-be-able-to-act-under-nato-standards-in-2020-poroshenko-says.html>

functional within the next few years.²⁰ Security issues topped the agenda for the visit of Lithuanian President Dalia Grybauskaitė to Poland on February 20-21. The parties agreed to form a committee of defense ministers of the two countries, affiliate the Lithuanian Iron Wolf brigade with the 15th brigade of Poland, and exchange radar data.²¹

Regional force buildup

INF Treaty. The rupture of the Intermediate-Range Nuclear Forces Treaty has produced a huge impact on the region. The United States started the procedure of withdrawal from the Treaty, and Russia announced the development of previously banned weapons in response.

This creates a whole new situation for Belarus, but it is unlikely to entail large-scale redeployment of forces or weapons in the near future. On February 6, Russian Ambassador to Belarus Mikhail Babich told TASS News Agency that Russia was not planning on placing its missiles in Belarus in response to the U.S. withdrawal from the INF Treaty.²²

Minsk reacted in a low-key manner. On February 7, Defense Minister Raŭkoŭ said that following United States' and Russia's withdrawal from the Treaty, Belarus should develop its army and "strengthen the Union with Russia." He put it mildly, saying that he did not see new security threats. "All of them are old and familiar," he said. He was seconded by the Belarusian Foreign Ministry. "The current situation with the INF Treaty is fraught with an escalation of the conflict and a new arms race, which will have serious long-term consequences for the European continent," said the MFA.²³

On February 12, NATO Secretary General Jens Stoltenberg also said that his organization "was not going to place land-based missiles in Europe." He said that NATO members, in particular Romania and Poland, cannot do it independently without the consent of all members of the organization. Polish President Andrzej Duda stated on October 25, 2018 that "Poland was ready to deploy medium-range missiles in its territory." At the same time, Russia believes that Washington has already deployed Mk-41 vertical launching systems suitable for launching cruise missiles (prohibited by the Treaty) in Romania, and is going to do the same in Poland.²⁴

Addressing Military Academy personnel on February 22, President Lukashenka also held an ambivalent position. "This is a disaster, especially for us," he said, speaking about the consequences of the INF Treaty abrogation. "The Americans broke this treaty, and will place missiles in Europe. There'll be hell to pay. Therefore, together with Russia, we need to think about response measures. It would be even worse if these missiles were deployed in Ukraine. We do not need all these wrangles of large states, from which we have always suffered."

Moreover, stressing the strategic partnership with Russia, Lukashenka said, "As a sovereign state, Belarus is ready for constructive dialogue, including with NATO, based on the principles of parity and transparency. We are ready for this dialogue."²⁵

20 Defense ministers signed the baseline agreement on the headquarters of the NATO Multinational Division North, 02/14/2019 <https://www.kaitsen.ee/nato/ministry-oborony-podpisali-osnovopolagayushij-doku>

21 Paskutinis D. Grybauskaitės valstybinis vizitas vyks Lenkijoje 2019-02-20, ELTA, <http://kauno.diena.lt/naujienos/lietuva/politika/paskutinis-d-grybauskaites-valstybinis-vizitas-vyks-lenkijoje-902157>

22 Babich: Russia will not place its missiles in Belarus, 6 Feb 2019 TUT.BY <https://news.tut.by/economics/625316.html?crnd=74243>

23 Raŭkoŭ: We will strengthen the armed forces and the union with Russia in response to America's withdrawal from the INF Treaty, 7 Feb 2019 TUT.BY <https://news.tut.by/economics/625503.html>

24 "Adapt to the world where will be more Russian missiles", Kommersant, 12.02.2019, https://www.kommersant.ru/doc/3881966?from=four_mir

25 Visit to the Military Academy, February 22, 2019 http://president.gov.by/ru/news_ru/view/poseschenie-voennoj-akademii-20549/

American base in the region. On February 13, the U.S. ambassador to Poland stated that the number of American troops in Poland would be significantly increased. "By hundreds," she said.²⁶ On February 25, Polish Defense Minister Mariusz Blaszczak also said that the expansion of the U.S. military presence was officially approved, and the parties were working on technicalities.

However, Rzeczpospolita daily clarified that there would not be a permanent U.S. base in Poland, but the number of American troops deployed on a rotational basis would increase considerably. The newspaper's sources in the Polish Ministry of Defense said that after the termination of the INF Treaty, the United States was no longer bound by the Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation of 1997, which limited the numeric strength of NATO troops in the region. This means that the duration of the rotation of the U.S. brigade stationed in the region can be extended from one to several years. Also, equipment depots will be arranged for another brigade, which would be quickly relocated to Poland in case of military threat.

The United States also considers headquartering its division in Poznan, deploying air force units in Laska (Central Poland) and Mirosławiec (North-West Poland) and special operations units in Krakow on a permanent basis, as well as a new Navy unit in Gdynia. The number of American troops may be increased again in a year or two.

This will likely scale up Poland's spending on the deployment of American troops above the previously discussed USD 2 billion and the cost of accommodation of the American troops in the future.²⁷

According to the decision of the 2016 NATO Summit, at the moment, there are about a thousand American personnel in Poland. In fact, the U.S. has another brigade of about five thousand servicemen in the region.

In the period under review, Poland and Russia deployed new military units in their territories. On January 7, Poland began the formation of the new, 18th mechanized infantry division in close proximity to the Belarusian border in Siedlce. The formation will be completed this year.

On January 11, the Russian Ministry of Defense reported that "more than 30 T-72B tanks were supplied to the army corps of the Baltic Fleet." Thirty more tanks will be sent there by the end of this year. This confirms the completion of the formation of the tank regiment, which is part of the 11th army corps of the Baltic Fleet based in the Kaliningrad Region, announced in 2018.

On February 2, Russian media issued reports on the re-establishment of the 689th fighter wing in the Kaliningrad Region.

On February 27, Russian Defense Minister Shoigu said that in 2019, the Baltic Fleet would be reinforced with another armored regiment and a coastal defense missile division. The 20th army of the Western Military District of Russia stationed in the Voronezh Region will have two more regiments and a technical missile base. Russia also plans to form a surface to air-missile regiment of mobile reserve in the Western Military District.

Infrastructure development. In February, Germany informed that it was going to invest EUR 110 million in the development of Lithuanian military infrastructure by 2021.²⁸ Also, it became known that the largest military training ground in Pabradė near the Belarusian border would be given to Lithuania. The United States allocated USD 3.6 million to upgrade it in 2017-2018. In total, the U.S. provided USD 17 million to upgrade Lithuanian training grounds in 2016-2021.

²⁶ Financial Times: US to deploy more troops in Poland, ambassador says, Feb 12, 2019, <https://www.ft.com/content/a1f55ad4-2eb1-11e9-ba00-0251022932c8>

²⁷ Jędrzej Bielecki, Pentagon już nie blokuje baz w Polsce, 24.02.2019 <https://www.rp.pl/Prezydent-USA/302249955-Pentagon-juz-nie-blokuje-baz-w-Polsce.html>

²⁸ 6 February 2019 Germany to invest €110m in military infrastructure in Lithuania <https://www.army-technology.com/news/germany-infrastructure-lithuania/>

Deployment of new types of weapons around Belarus

Although Belarus's neighbors made a number of significant acquisitions of weapons, this basically does not change the alignment of forces in the region. On January 25, the Polish government signed the contract on the purchase of four S-70i Black Hawk helicopters worth EUR 159 million for the special operations units. The helicopters will be delivered before December.

On February 13, the Polish government endorsed the contract with the United States on the supply of a USD 414 million worth HIMARS division. Before 2023, Poland will receive 20 launchers, ammunition (70- to 300-km range), and other equipment and services.

On February 18, UNIAN reported the delivery of more than a hundred modernized T-64 tanks to the Ukrainian army.²⁹

On February 19, the Lithuanian Ministry of Defense informed about the supply of anti-tank Javelin missiles from the United States worth over USD 20 million. The U.S. contributed USD 5 million under the contract as assistance.

Forecast

- Belarus's air force is depleted as a result of another handover of aircraft to Serbia, expecting new planes from Russia. The Kremlin will provide them, but, most likely, in the minimum required quantity. One should not expect any other considerable weapon supplies from Russia to Belarus soon.
- The United States is likely to increase its military presence in Poland. Warsaw will significantly increase the financing of its army. Poland's dominance in the region will grow, and it will become a quite powerful European actor.
- Further mutually provoked escalation of the military presence and arrangement of new military facilities and weapons in the region is highly probable, especially since the countries of the region and those outside it have already planned a significant increase in spending for these purposes. The deployment of nuclear missiles in the region will lead to increased pressure on Minsk coming from Moscow, which wants its ally to be more active when it comes to regional confrontation.

²⁹ Ukrainian army gets over 100 upgraded T-64 tanks, 18 February 2019, <https://www.unian.info/society/10449765-ukrainian-army-gets-over-100-upgraded-t-64-tanks-video.html>

Appendix 1

Catalogue of events underlying the relations development indices

Relationship with Russia

Date	Event	Point
10 January	Lukashenka-led meeting : “merger not on today’s agenda”	+1
10 January	Working group on integration established, led by Kruty	+2
10 January	Instruction for the government to find alternative oil supplies	-1
18 January	Lukashenka blames Russian media outlets	-1
18 January	Meeting of the Belarus-Russia business council	+2
23 January	Publication about plans of businesses to work in Russia	+1
21 January	Business unions’ letter to the Ministry of Antimonopoly Regulation and Trade	+1
23 January	Babich’s explanations as to the audit of the Union Treaty	+1
24 January	Lukashenka meets with the governor of the Novosibirsk Region	+1
31 January	Telephone conversation between Lukashenka and Putin	+1
4 January	Foreign Ministry slams U.S.’ withdrawal from the INF Treaty	+1
5 February	Russian elevator makers lobby for limitations on Belarusian-made products	-1
6 February	Babich on absence of plans to deploy missiles in Belarus	+1
7 February	Head of State Military Industrial Committee on cooperation with Russia	-1
7 February	Ministry of Agriculture and Food on work to remove restrictions	+1
13-15 February	Meetings of the presidents in Sochi	+3
15 February	Establishment of a culture projects foundation	+1
19 February	Inspections of Beltamozhservice	+1
21 February	Presentation of specifications of the Military Cooperation Concept	+1
21 February	Decision on fans at the European Games in Minsk	+1
22 February	Belarusian delegation visits the Tyumen Region of Russia	+1
22 February	Lukashenka on U.S. missiles in Europe	+1
25-26 February	Parliamentary Assembly delegation visits Baranavičy	+1
27 February	Agreement on cooperation of antitrust agencies	+1
28 February	Conference of entrepreneurship against the Agreement on state supervision of compliance with the technical regulations of the EEU	+1
Total		+21

Relationship with the EU

Date	Event	Point
14 January	Official visit to Minsk of Minister of Foreign Affairs and Trade of Hungary Péter Szijjártó, meetings with Lukashenka, Rumas, Makiej and other members of the government	+2
15 January	Visit to Minsk of Austrian Federal Minister for Europe, Integration and Foreign Affairs Karin Kneissl; official opening ceremony of the new office of the Austrian Embassy in Minsk	+2
16 January	Jeŭdačenka meets with representatives of the German Economic Group in Belarus and German Ambassador Peter Dettmar	+1
22 January	Kraučanka meets with German Ambassador Peter Dettmar	+1
22 January	Kraučanka meets with a delegation of deputies of the land parliament (landtag) and representatives of the business community of the federal state of North Rhine-Westphalia (Germany)	+1
23 January	Makiej meets with Czech Ambassador Tomáš Pernický	+1
31 January	EU, World Bank Group announce launch of two projects implemented in partnership with the government of Belarus to support the private sector of the economy, totaling EUR 8.8 million	+1
6-8 February	Rumas visits Italy	+2
6 February	Kraučanka meets with Lukáš Parížek, Secretary of State of the Ministry of Foreign and European Affairs of Slovakia during his visit to Slovakia organized by the OSCE	+1
6 February	Negative comment by the Foreign Ministry of Belarus on the assessments included in the joint report of the State Security Department and the Intelligence Department of the Ministry of National Defense of Lithuania "National Threat Assessment 2019"	-1
7 February	Šestakoŭ visits Rome, consultations are held between the Foreign Ministries at the level of deputy ministers	+1
7 February	Negative comment by the Belarusian Foreign Ministry on the resolution of the Geneva Meeting of the Parties to the Espoo Convention on the Belarusian Nuclear Power Plant, which emphasizes the anti-Belarusian position of the entire EU	-1
8 February	Dapkiunas meets with Head of the Directorate for Security Policy and International Organizations of the Ministry of Foreign Affairs of Latvia Edgars Skuja	+1
11-14 February	A Belarusian parliamentary delegation led by Miasnikovič visits Poland, agreement on social security is signed	+3
12 February	Signing of a Program on Cooperation in Culture between the Ministry of Culture of Belarus and the Ministry of Culture and National Identity of Romania	+1
13 February	Kraučanka meets with British Ambassador Fionna Gibb	+1
18 February	European Commissioner for Budget and Human Resources Günther Oettinger visits Minsk, meets with Lukashenka, Rumas, and Jermalovič	+2
19 February	Šestakoŭ meets with Italian Ambassador Mario Baldi	+1
25 February	Negative response of the Foreign Ministry of Belarus to the EU's decision to extend the arms embargo and restrictions on four entities in Belarus	-1

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Date	Event	Point
26 February	Šestakoŭ meets with Slovak Ambassador Jozef Migas	+1
27-28 February	Kraŭčanka visits Brussels to participate in the 7th World Congress Against the Death Penalty; meetings with Secretary General of the European External Action Service Helga Schmid, Managing Director of the European External Action Service Thomas Mayr-Harting	+1
January-February	Series of negative statements by the Belarusian leadership regarding Belarus's cooperation with the EU	-1
January-February	Overall positive materials in the official media, statements by the leadership regarding the EU	+1
Total		+21

Relationship with China

Date	Event	Point
8 January	Law on the ratification of the Agreement on trade and economic cooperation between members of the EEU and the PRC	+1
8-12 January	Minister of Education Karpienka visits China	+2
10 January	Opening of the Year of Education of Belarus in China in Dalian, Liaoning Province, and the Center for Belarusian Studies at Dalian Polytechnic University	+1
11 January	Event dedicated to the Belarus-China cooperation with the participation of Ambassador of China to Belarus Cui Qiming, Deputy Minister of Economy Matusievič and others, Minsk	+1
12 January	Opening of the Center for Belarusian Studies at the Beijing Foreign Studies University	+1
18 January	Opening of a photo exhibition celebrating the 40th anniversary of the Reform and Opening-Up Policy in China at the House of Friendship, Minsk	+1
21-22 January	Finance Minister Jermalovič visits China	+2
23 January	Gala concert celebrating Chinese Spring Festival at the Belarusian State Philharmonic	+1
4 February	Lukashenka congratulates Xi Jinping on Chinese Spring Festival	+1
26 February	Report by China's ambassador to the WTO Zhang Xiangchen that China supports Belarus's effort to join the WTO	+1
27-28 February	Industry Minister Uciupin visits China	+2
Total		+14

Relationship with the U.S.

Date	Event	Point
10 January	Minsk lifts limits on the number of U.S. diplomats in Belarus	+2
January	Telephone conversation between Makiej and U.S. Assistant Secretary of State for Europe and Eurasia Wess Mitchell	+1
14 January	Makiej's statement about negotiation with the U.S. over the possible return of ambassadors. Positive statements about the U.S.	+1
25 through 27 January	A Belarusian delegation participates in New York Times Travel Show	+1
31 January	Deputy Foreign Minister Alieh Kraŭčanka visits Washington, meets with U.S. Assistant Secretary of State for European and Eurasian Affairs Wess Mitchell, U.S. Deputy Assistant Secretary of State George Kent, Congressman Christopher Smith, U.S. Special Assistant to the President and Senior Director for European and Russian Affairs of the U.S. National Security Council Fiona Hill	+2
14 February	Kraŭčanka meets with U.S. Charge d'Affaires in Belarus Jenifer H. Moore	+1
17-19 February	A delegation of the U.S. Senate Armed Forces Commission visits Minsk	+1
January-February	Negative statements by officials regarding U.S.' withdrawal from the INF Treaty	-1
Total		+8

Relationship with Ukraine

Date	Event	Point
4 January	Bogdan-Motors supplies 200 MAZ-Bogdan trucks to the Armed Forces of Ukraine	+1
8 January	MAZ keeps leadership in terms of truck sales in Ukraine	+1
10 January	State order for military hardware with Bogdan (MAZ-Bogdan) will be increased by at least 50%. A new contract has been concluded	+1
10 January	Ukrhazvydobuvannya reports additional production volumes owing to cooperation with Belorusneft	+1
12 January	Belarus is the second-largest soy buyer in Ukraine	+1
25 January	Antidumping duties will not apply to salt (Belarus agreed to increase prices)	+1
25 January	Ukrainian ambassador raises the issue of Pavlo Sharoiko, trial of Jury Palityka was not addressed	-1
25 January	Antidumping duties imposed on filament lamps, despite willingness of the Belarusian manufacturer to raise prices	-1
January	Belorusneft among top-10 contractors winning state procurement tenders in Ukraine. Gas production and well maintenance contracts worth UAH 584 mln	+1
January	Belarus controls over 50% of the market for new trolleybuses in Ukraine (including the joint ventures in Dnipro and Lutsk) and 60% of the market for new buses	+1
14 January	Lukashenka meets with Medvedchuk	-1
15-17 January	20th meeting of the Joint Belarus-Ukraine demarcation commission	+1
18 January	Lukashenka's statement about Belarusian fuel for Ukrainian tanks	+1
29 January	Lukashenka meets with Marchuk	+1
24 January	Commencement of broadcasting of a Ukrainian channel in Belarus	+1
4 February	Ukraine suspicious about reports that the national border will be strengthened	-1
8 February	Belavtodor organizations take road maintenance contracts worth UAH 1.5 billion in recent years	+1
13 February	Ukrainian MPs demand that Belavtodor's participation in road maintenance tenders in Ukraine be limited	-1
13 February	Belavia is second-largest carrier in Ukraine in terms of (foreign) flights	+1
20 February	Mykolaiv Region's contract for supply of Belarusian passenger vehicles	+1
22 February	Update of the program of Belarusian export crediting via Ukreximbank	+1
20 February	Sales of oil products drop in the Ukrainian market in volume terms amid increase in prices	-1
22 February	Lukashenka's statement about threat of appearance of missiles in Ukraine	-1
25 February	New contract between Belorusneft and Ukrhazvydobuvannya for well drilling and maintenance	+1
27 February	Kamvol signs contract to supply fabrics to Ukraine	+1

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Date	Event	Point
27 February	Romania-Belarus regular container train in partnership with the Ukrainian Railway	+1
22 February	Attack on an asphalt-concrete plant owned by a Belarusian company in the Mykolaiv Region	-1
22 February	Belarusian Embassy in Ukraine calls for the Cabinet to stop political pressure on Belarusian companies and protect them from unfair competition	-1
February	Scandal with coal supplies from Belarus	-1
25 February	Report about sale of anti-tank rocket launchers for Ukraine's T-64 tanks	-1
25 February	Meeting of the intergovernmental working group for the development of trade and economic cooperation	+1
25 February	Statement by Deputy Foreign Minister Jeŭdačenka on Ukraine's development path	+1
January-February	Lukashenka-Putin negotiation points in the light of "Russia's takeover of Belarus"	-1
Total		+9

Appendix 2

Catalogue of events underlying the security indices

Date	Event	National security	Regional tension
7 January	Poland starts the formation of the 18th mechanized infantry division	-1	-1
11 January	Russian Defense Ministry actually confirms the completion of the formation of a tank regiment in the Kaliningrad Region	0	-1
28 January	Lukashenka holds a meeting on UAV development for the Belarusian army	+1	0
January-February	Belarusian army undergoes a comprehensive combat readiness check	+1	0
30 January	Ukrainian Defense Minister Poltorak calls Belarus "a friendly country"	+1	+1
1 February	U.S. and Russia withdraw from the INF Treaty	-1	-1
2 February	Information about the formation of two additional air force regiments in the Kaliningrad Region is published	0	-1
Early February	Army receives Protivnik-GE systems	+1	0
February	Germany decides on new investments in the military infrastructure of Lithuania. Upgrade of the training ground in Pabradė is completed	-1	-1
4 February	Belarusian leadership approves reinforcement of the border troops	+1	0
5 February	Lithuania publishes the national threat assessment. Belarus and Russia's policy are among the threats	0	-1
6 February	Russian Ambassador to Belarus Babich says that Russia is not going to place missiles in Belarus	+1	+1
12 February	NATO Secretary General Stoltenberg says that NATO does not plan to deploy land-based missiles in Europe	+1	+1
13 February	Polish government endorses the contract on the purchase of high mobility artillery rocket systems	-1	0
13 February	U.S. ambassador to Poland announces an increase of the American contingent in Poland	-1	-1
15 February	Nine Cayman armored vehicles are supplied to the 103rd airborne brigade of Belarus	+1	0
Late February	NATO and Sweden report nearly 20 incidents with Russian aircraft over the Baltic Sea in January-February	-	-1

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Date	Event	National security	Regional tension
20 February	Heads of the regional and Minsk city executive committees take part in the annual territorial defense training session	+1	-
22 February	Lukashenka advocates dialogue with NATO	+1	+1
25 February	Polish Defense Ministry says that an increase in the U.S. military presence has been agreed	-	-1
25 February	Belarus hands over MiG-29 jets to Serbia	-1	-
26 February	Lukashenka holds a meeting with Security Council members on army staffing	+1	-
27 February	Russian Defense Minister Shoigu announces the buildup of forces in the Western Military District of Russia in 2019	-	-1
Total		+5	-6 (Green)

Appendix 3

Colour scale of regional security tensions

Colour Value	Numerical Value	Interpretation
White	more than -1	Low likelihood of escalation. Non-threatening situation
Green	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.
Yellow	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.
Orange	from -13 to -17	Military preparations in the region. Growing tensions. Situation is threatening.
Red	-18 and less	Sharp escalation of tensions. The conflict is virtually unavoidable. A pre-war situation.

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